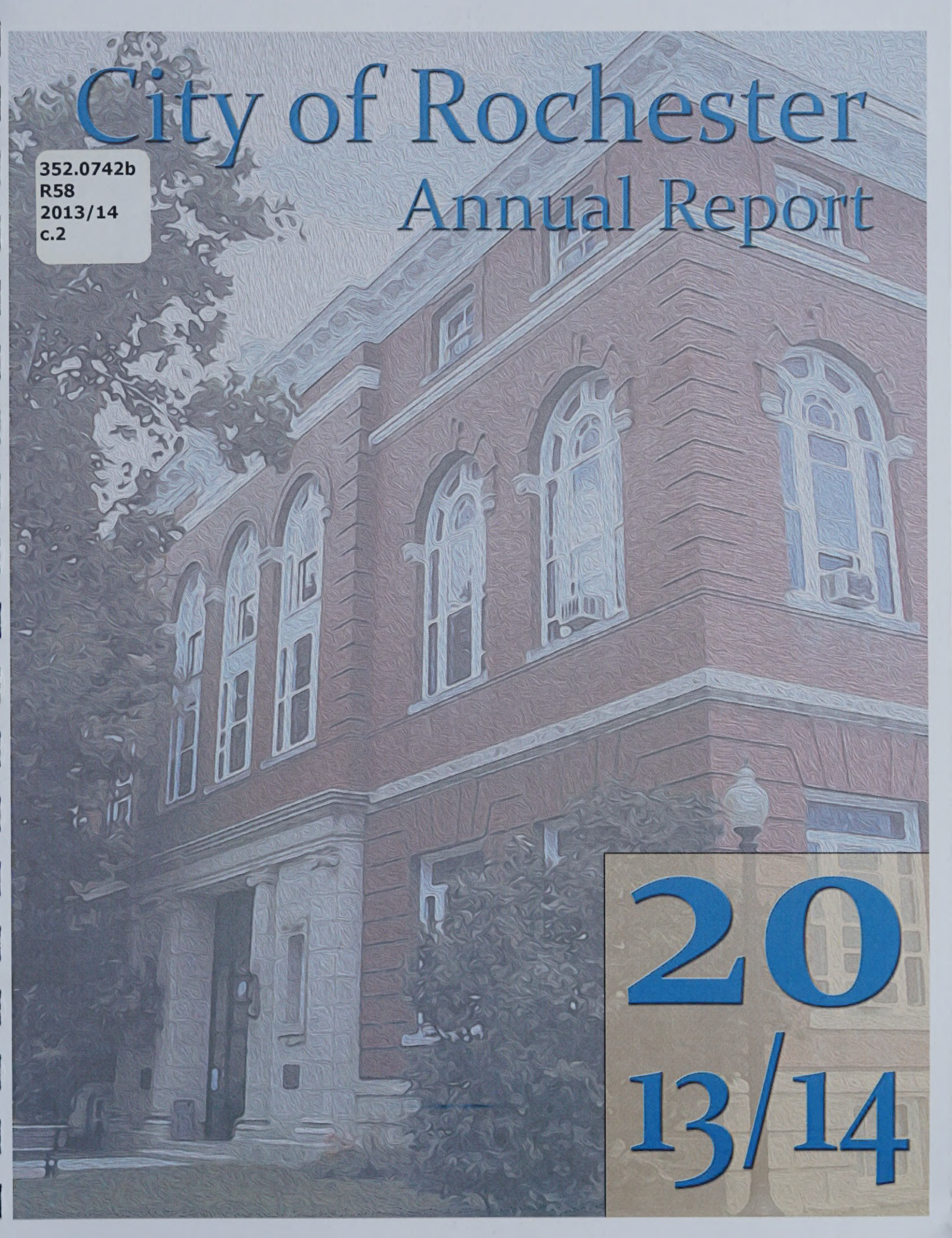




City of Rochester Annual Report

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NOTICE

If you own real estate lots that were involuntarily merged by municipal action, you may be able to have those lots restored to their pre-merger status.

Your property may qualify if two or more lots were merged for zoning, assessing, or taxation purposes and the merger occurred:

- During your ownership, without your consent; or
- Prior to your ownership, if no previous owner consented to the merger.

To restore your property to pre-merger status, you must:

- Make a request to the local governing body
- No later than December 31, 2016.

Once restored:

- Your properties will once again become separate lots; however, they must still conform to applicable land use ordinances. Restoration does not cure non-conformity.
-

This notice must be:

- *Posted continuously in a public place from January 1, 2012 until December 31, 2016, and*
- *Published in the 2011 through 2015 Annual Report.*

Read the full statute at RSA 674:39-aa Restoration of Involuntarily Merged Lots.

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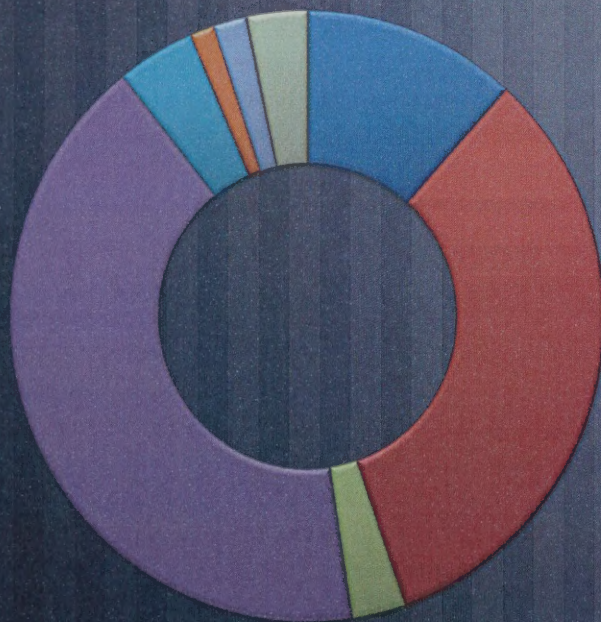
Chapter One

At a glance

1.1 Our highlights

Fiscal Year 2013-2014 Financials

Sources of Revenue

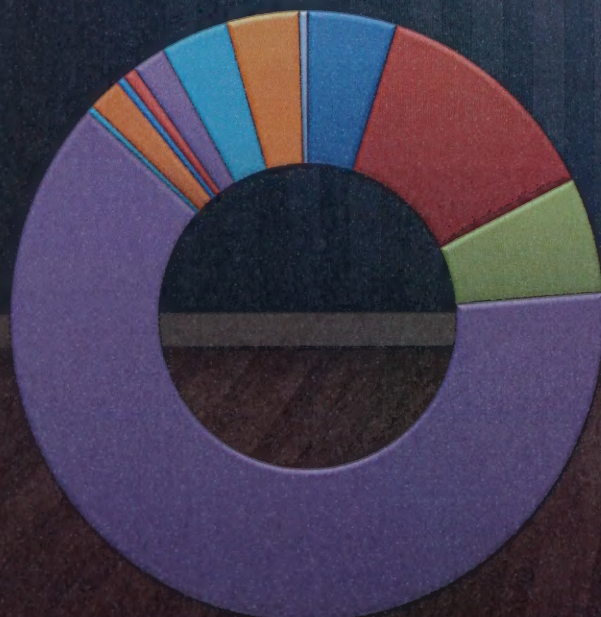
Program Revenues

- Charges for services
- Operating grants
- Capital grants

General Revenues

- Property taxes
- Licenses & permits
- Penalties & interest on taxes
- Grants & contributions (not restricted to specific programs)
- Investment income
- Other

Expenses



- General government
- Public safety
- Highway & streets
- Education
- Health & welfare
- Culture & recreation
- Community development
- Community services
- Conservation
- Interest on long-term debt
- Water
- Sewer
- Nonmajor enterprise

1.2 Introduction

Our City Council

Our City Council consists of the Mayor and twelve (12) City Councilors. Rochester is divided into six (6) wards of as equal as practicable population, each ward having two (2) council representatives.

Our Location

Rochester, New Hampshire, known as the Lilac City, is located in Strafford County, with a population of almost 30,000. Rochester is one of the largest cities in New Hampshire, encompassing over 44 square miles of rolling hills and rivers. Conveniently located only a short distance from New Hampshire's famous Lakes Region, the White Mountains with its ski resorts and the Seacoast with its superb beaches. Only 32 miles NE of Manchester, New Hampshire and 65 miles N of Boston, Massachusetts.

Whether covered with its famous lilacs in the spring, flowers blooming in the summer, spectacular autumn foliage or fresh-fallen snow, the Rochester area is a scenic delight.



Our History

Originally inhabited by Abenaki Indians of the Pennacook tribe, the town was granted to settlers by Colonial Governor Samuel Shute. It was officially incorporated in 1722, named in honor of the Earl of Rochester. Actual settlement of Rochester was delayed until 1728 because of conflict with the Indian tribes.

Traditions of strong family values, strong work ethic and lasting community spirit sustain the lasting pride among residents and businesses in Rochester. Awareness of Rochester's many natural assets and its recent industrial growth contributes to that pride. A great sense of volunteerism exists that is second to none. Whatever the need, whether for an individual or organization, Rochester opens its heart each and every time to help with a worthwhile cause.

Our Environment

Rochester enjoys many of the conveniences of a prospering city combined with the delights of small-town New England traditions. Due to the restoration of the historic Rochester Opera House, cultural and civic activities are offered to residents in the area. Rochester celebrates an annual fun family festivals in the spring and summer, a Fourth of July celebration complete with activities and fireworks in the summer, over 120 years of the Rochester Fair (an old fashioned agricultural fair) held in the fall, and a holiday parade in the winter.

One of Rochester's many attributes is its excellent air, highway, rail and water transportation connections. Major highways include routes 11, 108, 125, 202 and the Spaulding Turnpike (Route 16), a four lane, limited access highway with six exits to the City. This expressway provides easy access to Interstate 95, the Pease International Tradeport, Boston's Logan Airport, Manchester International Airport, the Portland International Jetport and the Port of Portsmouth. The New Hampshire Northcoast rail line and Skyhaven Airport also serve Rochester.

Our Mission

Our mission is to provide services which contribute to a sense of community and the overall quality of life.

Our City Vision

Rochester's commitment to economic development has spurred major growth of manufacturing and high-tech companies. The City continues to diversify, strengthen and grow as business and industrial expansions attract new residents to the area.

Excellent educational advantages are available to residents. The Richard W. Creteau Regional Technology Center trains students for well-paid positions and assures companies in the area of a skilled workforce.

Shopping in Rochester provides residents in the city and surrounding communities with an attractive downtown area and several malls and plazas. Antiques, footwear, appliances, pharmacies, restaurants and a variety of services are found in downtown Rochester and small boutiques to large department and grocery stores are found at several plazas and malls located throughout the City.

Cultural and recreational activities include plays at the Rochester Opera House, theater, the Rochester Country Club golf course, ball fields, hiking, walking paths, rivers, ponds and lakes.

Combined with its natural beauty, easy access and many opportunities, Rochester is The Place To Be.

Our Principles

As a City Council we will demonstrate our commitment for our city by seeking to adhere to the principles of:

City Charter

General Ordinances of the City of Rochester

Our Community

Our community, including residents, visitors and ratepayers

Business and investors

Local service providers

Community groups

State and federal government agencies, and other local governments

Professional organizations including industry



\$108m

Rochester City Council Budget 2013-2014



202 sunny days

average days that are predominantly sunny

1.3 Facts and Figures

Rochester Fast Facts

- Incorporated in 1722
- Rochester is the 5th most populated city in the state of New Hampshire out of 96 cities.
- The largest Rochester racial/ethnic groups are White (94.3%) followed by Hispanic (1.8%) and Two or more races (1.4%).

29,823

Estimated residents in Rochester, NH

- The median household income of Rochester residents was \$52,401. *Rochester household made slightly more than Hampton Beach households (\$52,023) and New London households (\$51,733).*
- The median age for Rochester residents is 40.9 years young.

Location

Latitude: 43.298493

Longitude: -70.977006

- 43 miles from Manchester, NH
- 54 miles from Portland, ME
- 75 miles from Boston, MA
- 286 miles from New York City, NY
- 271 miles from Montreal, Quebec

Land and trails

45.40

Land area in square miles

- There are approximately 663.5 persons per square mile.
- There are 0.4 square miles of inland water area.
- Gonic Trails - 3 various trails, up to 3.5 miles
- Pickering Ponds - 2+ miles of trails

Roads, sidewalks and bridges

- 235 miles of road (*205 miles paved, 30 miles unpaved*)
- 176 city streets
- 60 private
- 28 miles of sidewalks
- 16 city bridges

Water

- 1,437 water customers
- 5,604 water and sewer customers
- 15 sewer only customers
- 3,000,000 average daily gallons of wastewater treated

2,000,000

Average daily gallons of drinking water produced

- 120 miles of water pipe distribution
- 80 miles of sewer pipe distribution
- 4 water pump stations

City-owned facilities

- 11 buildings
- 380,000 square feet

Recreation facilities

- 3 pools
- 3 fields
- Roger Allen Park with 10 baseball, 5 softball, 1 football, 5 soccer and 1 buddy ball fields
- 1 ice arena
- 1 community center

Schools

- 8 elementary schools - 1,873 students
- 1 middle school - 946 students
- 1 high school - 1,442 students
- 4 private schools - 174 students
- 1 Regional Technology Center
- 2 Community Colleges

1.4 Employee recognition and achievements

Recognition for Years of Service

30 Years

David Green, Chief WWTP Operator
Kenneth Henderson, Municipal Services Supervisor

25 Years

Marie Kelly, Librarian

20 Years

Anthony Deluca, Police Sergeant

10 Years

James Murphy, Police Dept.
Ryan Trepanier, Arena
Ray Dashnaw, Public Buildings
Melissa Sauer, Library
Paul Kusnierz, Police
Jeremiah Murphy, Police

New Employees

Leona Alameda, Assessing
Candace Holmberg, Communications
Roy Edgerly, Recreation
Nicole Maurice, Tax Collector
Gregg Barron, Public Works
Dwayne Hatch, Police
Jacob Benjamin, Police
Steven Vincent, Public Works
Ian Rohrbacher, Public Works
Madeline Moule, Communications
Jennifer Marsh, Economic Development
Matthew Furtney, Fire
Brittney Marvin, Police
George Murray, IT
Stephen Kerlee, Police
Devon Pageu, Fire
Cristina Petropoulos, Public Works
Stephanie Hagenbuch, Library
Claire Blanchette, Public Works
Joshua Peaslee, Public Works
Julian Long, Economic Development
Spencer Williams-Hurley, Police
Jacob Garstin, Police
Danielle Schact, Police
Christina Paquette, Library
Miranda Avery, Library
Elizabeth Green, Police
Jolene Cowell, Communications
Kristine Lavoie, Communications

FY13 Retirees

James Bonneau
Bruce Young
Steve Burke
Mike Sprague
Karen Paquette



City of Rochester
Mayor T.J. Jean



Chapter Two

Our City Council

2.1 Mayor's Report

Good evening Honored Guests, Elected Officials, and My Fellow Citizens:

I would like to begin this evening by congratulating the Elected Officials who have just taken their respective oaths of office. Tonight, we begin a new journey together leading this great city. We should all be appreciative that we have such dedicated individuals willing to answer the call to public service. In my experience, I have found serving the City of Rochester to be challenging, exciting, and incredibly rewarding. But what really makes it special, are the individuals seated on this stage. Working together, we will all share in the wonderful feeling of accomplishment.

This evening I would like to personally recognize someone very special to me. Someone who's dedication and support makes it possible for me to serve as your mayor. Tonight I want to acknowledge my beloved wife, and our first lady, Jennifer. Without her sacrifice of countless nights watching our two beautiful children while I'm away at meetings or events, I would not be able to fulfill the duties this position demands. So this evening I say "thank you" Jenn for all that you do for me and our family. I love you very much!

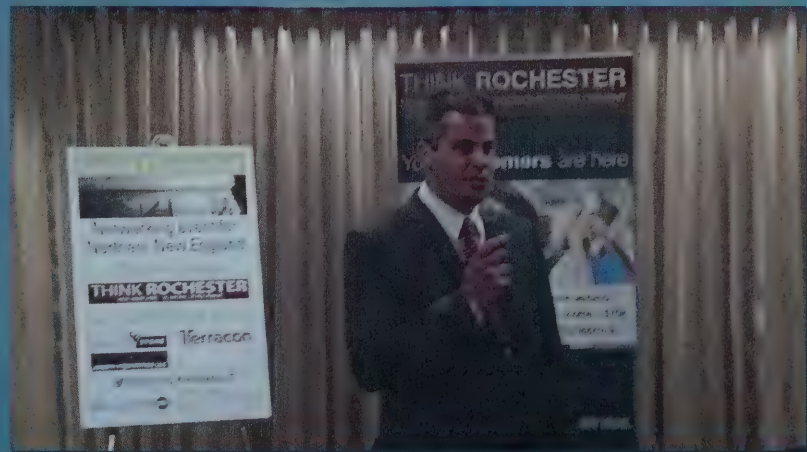
Tonight, I am pleased to welcome Jake Collins, Donald Hamann, Robert Gates, and Derek "Mac" Kittredge to the City Council. Their experience will add a new and fresh perspective to our deliberations. I look forward to working closely with all of them.

I would also like to welcome new School Board members Jenn Bryant, Ray Turner, Patricia Carroll, and Kathy Dunton. Thank you for your commitment to our most valuable assets, the children of Rochester.

Tonight we welcome three new police commissioners. Commissioners Derek Peters, Lucien Levesque, and Bruce Lindsay. I wish all of them the very best and I look forward to working with them in the coming term to ensure our community's policing needs are met.

Municipal government is often considered the purest form of government. Members of municipal government are individuals you will see often while grocery shopping, out dining, attending a church service, or perhaps at the athletic

fields coaching sports. Tonight, seated on this stage, are extremely dedicated and committed individuals who are willing to stand up and make a difference in the future of our community. Our decisions will not always be easy, nor will they always be popular. Rather, it will take each and every one of us to put forth our best efforts and experience to help one another reach the best possible solution for whatever issue we deliberate. I personally have been blessed over the last four years, to have been surrounded by an extraordinary group of individuals on the city council, school board, and police commission, who share in my philosophy of doing whatever it takes to ensure our community is safe, our children are well educated, and working tirelessly to improve the city we love to call home. I am very excited to be embarking on another two years with our elected and re-elected officials.



Mayor Thomas A. Jean extending the first Community & Conversation networking event hosted by New England First Finance Journal.

As I began preparing my remarks this evening, I couldn't help but to pause and look back at the progress we've made over the last four years. Our city has experienced tremendous growth and development during this time. Additionally, we have made some significant organizational changes that have improved the level of service we provide to our constituents. Notably there have been tremendous improvements in Public Works, Planning and Development, and Code Enforcement. City Administration, under the leadership of Dan Fitzpatrick, has tackled issue after issue to remove barriers which may negatively impact our residents and business owners. I commend the work of the City Manager and his team on making some welcomed changes to City Hall.

I am also impressed with the level of infrastructure projects we have accomplished in the last four years. We have invested in major reconstruction projects on Salmon Falls Road and Brock Street, we built a bridge on the Granite

State Business Park on time and under budget, we invested in our road paving program to keep our roads in good condition, and we've looked to expand our water and sewer infrastructure to facilitate economic development. Tonight, I renew my pledge to ensure we continue this valuable investment in our city. We must make certain we continue to maintain our infrastructure and make improvements that improve the quality of life of our residents and the business community.

Late last fall, I was interviewed by a college student working on a project for her government course. The student asked "as mayor, what keeps you up at night?" I found that to be an interesting question since the position of mayor in a Council/Manager form of government is a bit different than that of a historic strong mayor, where the mayor is truly the chief executive and is heavily involved in the day to day operation of the city. However, the answer came to me very quickly. My answer was public safety. If you take a moment to think about it, without a strong public safety force, we really have nothing at all. I recall explaining to the student that back in March of 2012 I was watching the news coverage on WMUR of a police officer shot on duty. I recalled seeing everyone congregate at Catholic Medical Center and hearing that Mayor Ted Gatsas was there as well. The entire time, while praying for the officer's safe recovery, I was thankful this situation was not occurring in Rochester. Then, only a few weeks later, I had received a call stating one of Rochester's own officers had been involved in a shooting in Greenland. My heart sank. The entire night was filled with prayer, worry and concern. It felt as though a personal family member had been injured. The next day, I traveled to Portsmouth Regional Hospital to visit Officer Jeremiah Murphy. I was so impressed by the outpouring of support from the law enforcement community. Although, I did not get an opportunity to speak with Officer Murphy, I wanted him to know that there was a community of thirty thousand pulling for his speedy recovery. I went on to explain to the student that public safety is a critical component to the success of any community and certain investments must be made to ensure our residents and public safety officials are safe. Tonight, I want to assure all of you of my commitment to providing our public safety officials the tools and resources they need to keep themselves, and each and every one of us as safe as possible. I commend all of our Police, Fire, EMS, and Public Works employees for keeping our community safe.

Equally important is the education of our students. While this important task rests with the school board, I am very thankful for the City Council's support of the East Rochester School project. The current school, built in the late sixties, was by far the most in need of repair and reconstruction. I am thankful for the school board's hard work, through a tireless space study project, that they advanced the East Rochester School Project to the City Council. We should all be excited about a new school building which will be filled with the latest technologies and provide an environment conducive to learning. I look forward to working with the Joint Building Committee as we bring the project to reality for 2015.

Economic Development continues to be strong in Rochester. This is evident by the opening of Safran/Albany Engineered Composite's facility and the recent opening of the Advanced Technology

& Academic Center campus of Great Bay Community College here in Rochester. This project has been the hallmark economic development project in our state, and at a time when our economy was stalled. In fact, as a result of Safran/Albany, we are beginning to see Rochester become the leader in advanced manufacturing technologies. I am excited at the prospect of high quality employment opportunities becoming available to our residents, and hopefully future graduates of Spaulding High School. We are uniquely positioned to take advantage of this new and exciting commercial development and use it as a catalyst for strategic growth and development.

With high quality development comes high quality needs. Whether quality housing, services, or increased retail and dining offerings, we must take this opportunity to step back and redefine the City of Rochester for 2014 and position us to remain sustainable for years to come. The City Council will be working on a complete revision of our zoning ordinance. This will be an excellent opportunity to bring development regulation in line with the realities of 2014, rather than the historic needs of the eighties when they were last revised. We must be open-minded to change and be prepared to position Rochester to excel into the future. This will benefit all of our stakeholders throughout the community. I am committed to ensuring our rezoning process is transparent and engages all stakeholders in the process.

In closing, I want to express my sincere appreciation and gratitude to the citizens of Rochester for placing their trust in me once again to serve as your mayor. I truly enjoy every moment of this job and find it to be among the most rewarding experiences of my life. What makes this job so enjoyable to me is having the opportunity to work together, as a team, with extraordinary people. The City of Rochester is so blessed to have committed elected officials, municipal employees, caring and compassionate educators, and a strong business community. In my opinion there is no issue that is insurmountable to the people on this stage, and the community in general. We are known for our resilience and our determination in doing what is right for Rochester. Speaking for myself, I approach every decision I make with what is best for Rochester today, and what will ensure my sons, Tyler and Brady, will inherit tomorrow. This evening, let all of us renew our commitment to this beautiful City and work together to strengthen the strong and historic roots which have brought us to this very day.

May God bless you all, and may God continue to Bless the City of Rochester.
Thank you.

*Inauguration speech given by
Mayor Thomas J. Jean
January 7, 2014*



President Obama makes a campaign stop at Rochester Common.



Vice President Biden visits the Safran facility in Rochester

2.2 Our City Council

Our mission is:

To provide services which contribute to a sense of community and the overall quality of life.



Pictured back row from left to right: Councilor Derek "Mac" Kittredge*, Councilor Sandra Keans, Councilor Ralph Torr, Councilor John Laroche, Councilor Elaine Lauterborn, Councilor Donald Hamann.
Front row from left to right: Councilor David Walker, Councilor Jake Collins, Councilor Peter Lachapelle, Mayor T.J. Jean, Deputy Mayor Raymond Varney, Councilor James P. Gray, Councilor Robert Gates.

*Councilor Derek "Mac" Kittredge resigned, effective 7/1/2014, Councilor Donna M. Bogan (not pictured) was sworn in on 8/5/2014.

2.3 City Council Committees

Appointments Review Committee

John Larochelle, Chairman
Sandra Keans, Vice-Chair
James P. Gray
Donald Hamann
Jake Collins

Community Development Committee

James P. Gray, Chairman
Elaine Lauterborn, Vice-Chair
Sandra Keans
Jake Collins
Donna M. Bogan

Codes & Ordinances Committee

Peter Lachapelle, Chairman
Elaine Lauterborn, Vice Chair
A. Raymond Varney, Jr.
Robert Gates
Donna M. Bogan

Finance Committee

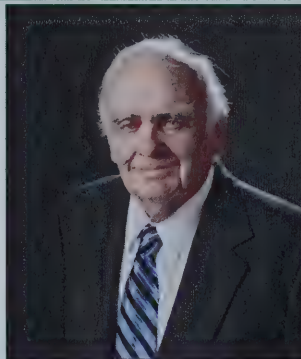
Mayor Thomas J. Jean, Chairman
A. Raymond Varney, Jr., Vice Chair
Ralph Torr
Sandra Keans
John Larochelle
David Walker
Elaine Lauterborn

Public Safety Committee

David Walker, Chairman
Peter Lachapelle, Vice Chair
Donald Hamann
Robert Gates
Jake Collins

Public Works and Building Committee

Ralph Torr, Chairman
A. Raymond Varney, Jr., Vice Chair
Sandra Keans
Donald Hamann
David Walker



Jake Collins
Ward 1 Seat A



Raymond Varney
Ward 1 Seat B



Elaine Lauterborn
Ward 2 Seat A



Sandra B. Keans
Ward 2 Seat B



Peter Lachapelle
Ward 3 Seat A



John Larochelle
Ward 3 Seat B



David Walker
Ward 4 Seat A



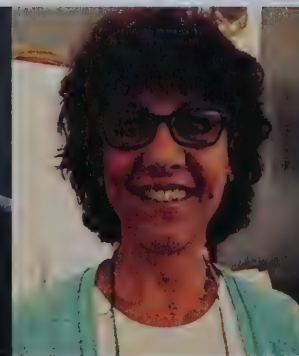
Donald Hamann
Ward 4 Seat B



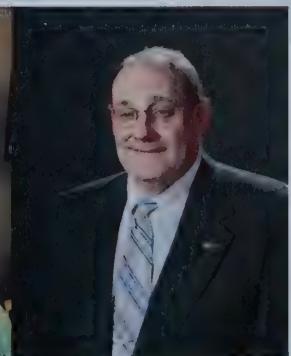
Ralph Torr
Ward 5 Seat A



Robert Gates
Ward 5 Seat B



Donna M. Bogan
Ward 6 Seat A



James P. Gray
Ward 6 Seat B



Great Bay - Advanced Technology & Academic Center
Rochester, NH



Mayor Jean as he gives a speech at the
opening ceremony of the Advanced
Technology & Academic Center at Great Bay



Regional Aerospace Initiative



2.4 Appointed Boards & Commissions

Arena Commission

David Ancil, Chair
Dale Bickford
Joan Cadorette-Strogen
Richard Clough
David Colson
Kevin Barry
Robert W. Brown

Arts & Culture Commission

Matthew Wyatt, Chair
Margaret "Peg" Johnson, Vice-Chair
Patricia O'Brien
Michael Provost
Martha Fowler
Peter Ejarque
Anne Marie Reagan
Cristina Danielle Dorvillier
Elaine Lauterborn, Council rep

Board of Assessors

Robert Goldstein, Chair
Marybeth Walker
Victoria Lambert

Conservation Commission

Deborah Shigo, Chair
Michael Dionne, Vice-Chair
Mark E. Jennings
Jeffrey Winders
Jack W. Hackett
Meredith (Merry) S. Lineweber

Historic District Commission

Molly Meulenbroek, Chair
Martha Wingate
Peter J. Bruckner
Nancy Dibble
Marilyn Jones
Rick Healey, Planning Board rep
Sandra Keans, Council rep

Library Trustees

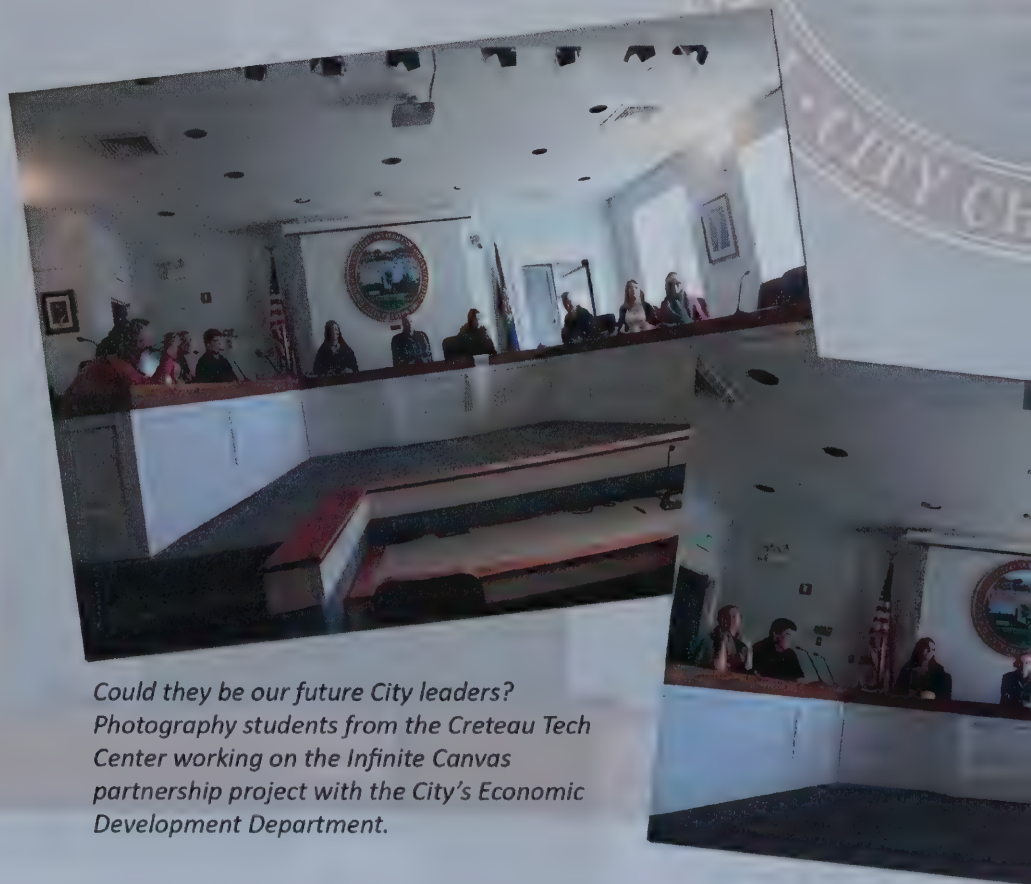
Pamela J. Hubbard, Chair
Steven Maimes, Vice-Chair
Natalie Wensley, Secretary
Anne C. May
John P. Roease
Nathaniel Goodspeed, City Manager designee

Planning Board

Nel Sylvain, Chair
Gregory Jeanson, Secretary
Robert Jaffin
Matthew Kozinski
Mark Sullivan
Tim Fontneau
David Walker
Rick Healey
Thomas H. Willis, Jr.

Alternates

James P. Gray
Fred Leonard
Charles Grassie



*Could they be our future City leaders?
Photography students from the Creteau Tech
Center working on the Infinite Canvas
partnership project with the City's Economic
Development Department.*

Recreation Commission

Sheila Colson, Chair
 Tamara Hewitt
 Paul Roberts
 Jeffrey Turgeon
 Karen Stokes

Rochester Economic Development Commission

Richard Luncborn, Chair
 Janet Davis, Secretary
 Susan DeRoy
 Kevin Ryan
 Ron Poulin
 Timothy Cremen
 Mark Hourihane
 John Laroche
 Jonathan Shapleigh

Trustees of the Trust Fund

David Oullette
 Robert Pallas
 Tracy Walbridge

Utility Advisory Board

Daniel Peterson, Chair
 Arthur Hoffman
 Shawn Libby
 Sharon Parshley
 Thomas H. Willis, Jr.

Zoning Board of Adjustment

Robert Gates
 Ralph Torr
 Robert S. Goldstein
 Larry Spector
 Randy Lavallee

Alternates

Rose Marie Rogers
 Leo Brodeur
 Fidae C. Azouri

2.5 Other Elected Boards & Commissions

Police Commission

Lucien Levesque
 Derek J. Peters
 Bruce Lindsay

School BoardWard 1

Jenn Bryant
 Audrey Stevens

Ward 3

Julie Brown
 Matthew S. Pappas

Ward 5

Karen I. Stokes
 Paul Lynch

Ward 2

Daniel Harkinson
 Raymond Turner

Ward 4

Anthony Pastelis, PhD
 Susan O'Connor

Ward 6

Pat Carroll
 Robert J. Watson, Chair

At Large

Kathy Dunton



Chapter Three

Our Organization

3.1 Organizational chart





TEAMWORK

coming together is a beginning
 keeping together is progress
 working together is success

- Henry Ford

City of Rochester
City Manager
Daniel W. Fitzpatrick



3.2 City Manager's Report

As the City Manager of Rochester, I have the pleasure of leading a team of employees who are responsive to citizens needs and who provide high performance solutions to the challenges and needs of our community.

The employees of the City of Rochester serve as a bridge between you and your elected officials. Their job is to provide vision, goals and objectives that use the available resources to deliver the quality services needed to contribute to a sense of community and overall quality of life.

Rochester is a vibrant community. Our success is due to the team effort between our Mayor, City Council and Boards, and Committees and the hard-working City employees that continue to deliver quality services.

The City is a service-oriented organization. Police, Fire, Communications and Public Works serve to protect the public. The Rochester Library and Recreation Department greatly enhance the quality of life. The School Department educates our young people and prepares them for the rapidly changing world.

While the annual report contains some of the highlights of Rochester's efforts to assist our citizens, there is much more to what is happening through customer service, enhancing the environment, or maintaining our infrastructure.

As the recession continues to affect the nation, Rochester has seen its share of ups and downs. Our employment rate has slowly decreased. The City has put enormous effort into economic development. This effort is proving effective. Rochester has the State's largest industrial announcement in October of 2010 with Albany International announcing the relocation of

their corporate headquarters moving to our fine City. The City's infrastructure is substantially complete and the private investment is well on its way toward completion.

Rochester is a great place to live, work and play. The municipal government is working hard to help enhance our community with quality service delivered efficiently and effectively.

Several Key Financial Reports indicate that the City's Finances are strong:

- Bond Ratings
- Commercial Tax Base/ Assessments
- Annual Financial Audits
- Annual Budgeting Process

The just completed FY2014 Audit revealed the continued financial strength of the City. There are three key measurements contained in the Annual Financial Audit that indicate the City's overall financial health:

- Statement of Net Assets
- Statement of Activities
- Fund Balance

Fund Balance

By spending less than what is taken in as revenues, the City has a positive "fund balance." The fund balance is what is available to manage the City's tax rate as well as provides cash flow to pay it's bills.

The LGC recommends that a City maintain as a fund balance an amount equal to 8% to 17% of its total gross appropriations. Rochester's percentage now stands at 16.2%.

In 2008 a Tax Cap was approved by voters which holds the growth of the tax levy to:

- Increase in rate of inflation
- Plus net new construction
- City Council has never overridden tax cap.

Our Property Tax Levy increases have been held below the tax cap limitation every year since it was adopted by the voters, without loss of City services.

With the new developments and growth in the upcoming years, our budget will allow for expanded customer service such as repairs of existing streets, sidewalks and other infrastructure improvements that are on our Capital Improvement Project list. Although the fiscal challenges of the past are improving with slight increases in revenues, our staff will continue to maintain an eye for improving service delivery methods while continuing a conservative management style that meets or exceeds our expanding needs.

During the past year our staff has been able to implement various programs to improve our response to citizens and to promote quality of life through managing our City's unique resources. In the past year we have reviewed and made changes to the City's website, made improvements to public safety with community outreach initiatives by our **Police Department**.

We continued to invest in our Main Street program who has expanded the program to include new and exciting special events that provide additional avenues for our citizens, young and old, to enjoy our downtown. Some of the successful events were our Blues & BBQ Festival and October Festival. Additional businesses have invested in our downtown and provided an economic boost to downtown.



The City Council, our Economic Development Commission and City Staff have used a teamwork approach, along with a common vision and goals to recruit new businesses to our community. We diligently continue to identify the future economic development needs of Rochester. In the near future there will be a fierce competition between local governments for development in this new rising economy. This strategy will ensure that the City provides ample opportunity for developers to put down roots in Rochester. The New England Real Estate Journal has recognized The City of Rochester for the Project of the Month - The Granite Ridge Marketplace, a 300,000 sf premiere retail destination that will begin construction in the spring of 2015.

We have continued to expand our communication mediums by including citizens in ongoing meetings onsite this year in such successful missions as our Comprehensive Rezoning. We have updated zoning districts to allow for quality development that will compliment the qualities of our community. The City continued to work with developers to create fair partnerships that provide opportunities for quality growth in Rochester while placing less of a burden on our existing citizens.

Our Finance Department was able to reissue bonds to provide savings on interest for several previous bond issuances. They continued to creatively develop long-term capital investment and financing plans that have stabilized our financial condition while maintaining compliance with a constantly changing regulatory environment.

Remember that our staff is always available to you for questions and suggestions. We are a participatory form of government with many opportunities for you to volunteer to serve your community. We are also a focused team that has an extreme customer service perspective. Many of our employees have served the Rochester community for many years and bring their expertise to provide a positive community experience while striving for economic viability, increased citizen involvement and a common vision for the future of this community.

3.3 Department Leadership

Assessing Department
Tom Mullin - City Assessor
603.332.5109

Building, Zoning & Licensing Services
Jim Grant - Director
603.335.3508

City Clerk's Office
Kely Walters - City Clerk
603.335.2130

City Manager's Office
Daniel Fitzpatrick - City Manager
603.332.1167

Economic Development Department
Karen Pollard - Manager
603.335.7522

Finance & Business Office
Blaine Cox - Deputy City Manager
603.335.7609

Fire Department
Norman Sanborn, Jr. - Chief
Mark Dupuis - Assistant Chief

Human Resources
Diane Hoyt - Manager
603.335.7503

Library
Brian Sylvester - Director
603.332.1428

Municipal Information Services (MIS)
Dennis Schafer - Supervisor
603.335.7588

Planning Department
Jim Campbell - Director
603.335.1338

Police Department
Michael Allen - Chief
Scott Dumas - Deputy Chief
Becky Warburton - Chief's Secretary
603.330.7127 (Dispatch)
603.330.7128 (Dispatch - Non Emergency)

Public Works Department
Peter Nourse - Director
603.332.4096

Recreation & Arena
Chris Bowlen - Director
603.332.4120

Tax Collector's Office
Doreen Jones - Tax Collector
603.332.1136

Utility Billing
Ann Dupuis - Supervisor
603.332.3110

Wastewater Plant
David Green - Chief Operator
603.332.8950

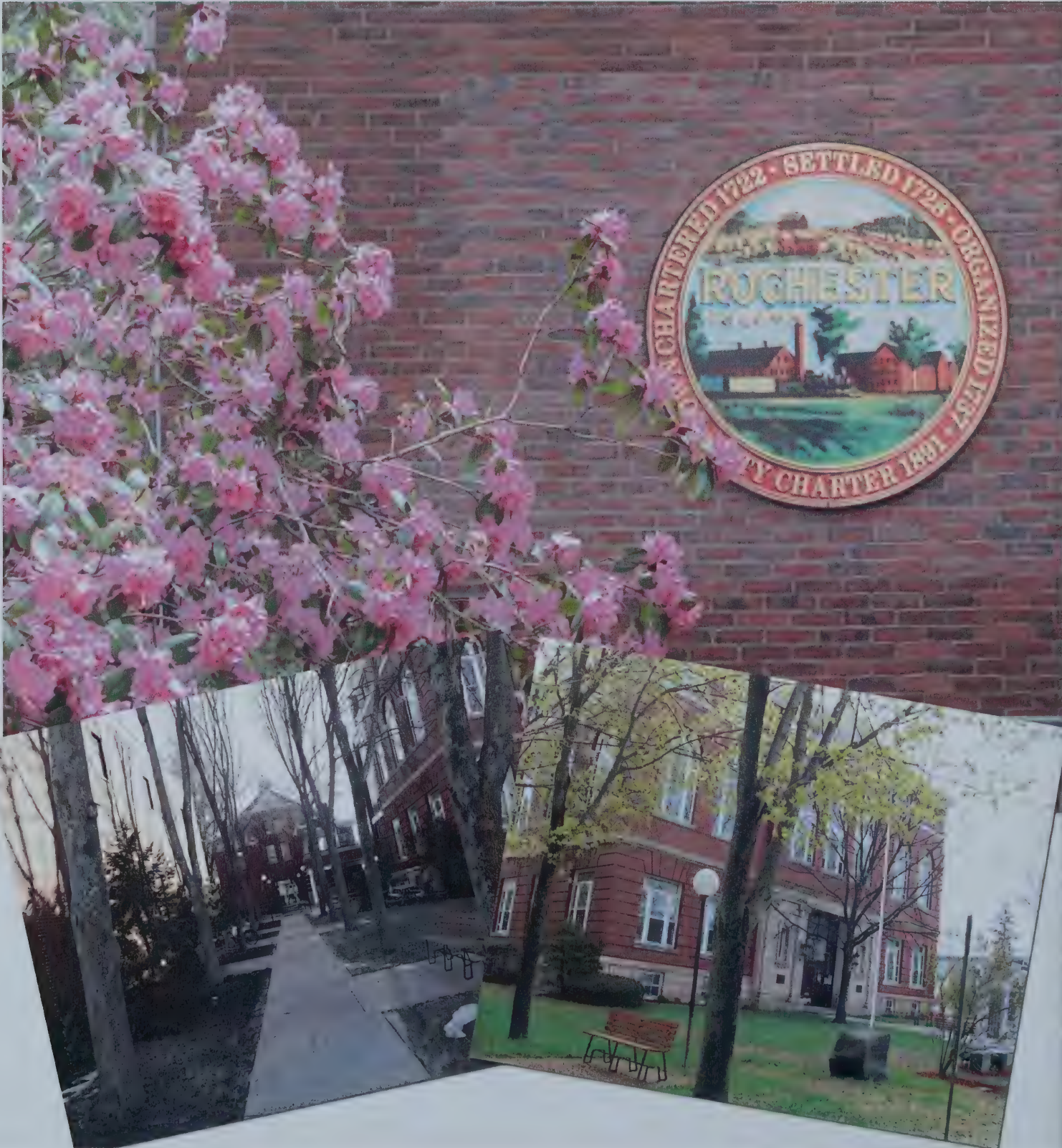
Water Treatment Plant
Ian Rohrbacher - Chief Operator
603.335.4291

Welfare
Todd Marsh - Director
603.332.3505



Chapter Four

Our Departments



Assessing
City Clerk

Community Development Division

Building, Zoning & Licensing Services Department

Economic Development Department

Community Development Block Grant (CDBG)

Planning Department

Finance Office

Fire Department

Legal Department

Library

MIS Department (Municipal Information Services)

Police Department

Public Works Department

Recreation, Arena & Youth Services

Superintendent of Schools

Tax Collector's Office

Welfare Department



4.1 Assessing Department

ASSESSOR'S VALUATION

Land

Current Use	\$ 1,032,039
Residential	\$341,859,367
Commercial/Industrial	\$183,158,007

Buildings

Residential	\$1,006,253,091
Commercial/Industrial	\$ 309,378,509
Manufactured Housing	\$ 97,126,007

Public Utilities Land & Buildings	\$ 88,879,500
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TOTAL OF TAXABLE PROPERTIES \$2,027,714,188

EXEMPTIONS

	GRANTED	AMOUNT USED
Blind	27	\$1,130,000
Elderly	368	\$20,709,000
Disabled	109	\$3,621,800
Total	504	\$25,460,800

Net Valuation Used to Compute City, County and Local School Tax	\$2,002,253,388
Less Public Utilities Valuation	-\$88,879,500
Net Valuation Used to Compute State School Tax	\$1,913,373,888

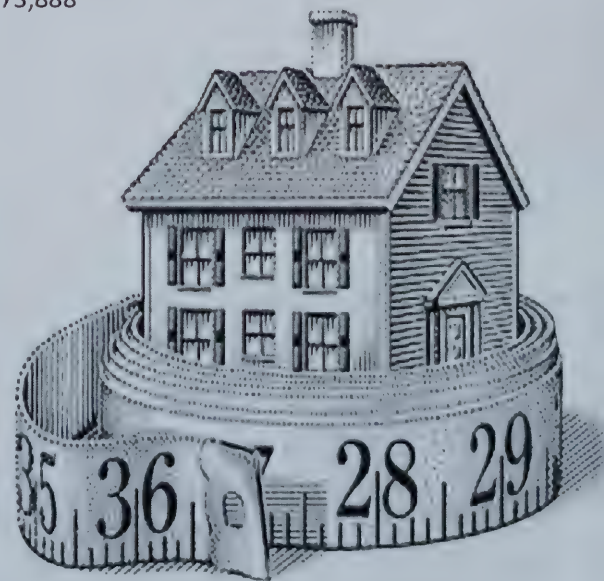
Rochester Taxable Property



- Residential Land & Buildings
- Commercial/Industrial Land & Buildings
- Manufactured Housing
- Current Use Land
- Public Utilities Land & Buildings



Left to Right: Verna Sharpe, Nancy Miller, Tom Mullin, Theresa Hervey, Leona Alameda



4.2 City Clerk's Office



Pictured from left to right: Nancy Carignan, Kelly Walters, Marcia Roddy and Diane Moses.

The City Clerk's office is known as the keeper of the records and serves as the local registrar in the issuance of vital records. The office is responsible for recording and issuing certified copies of birth, divorce, death, and marriage certificates. The City Clerk's office is also responsible for issuing marriage licenses. The City Clerk submits reports to the State of New Hampshire and other authorities as required by law. The City Clerk is responsible for the repair, binding, maintenance, and proper storage of all permanent records in compliance with local and state laws. The Clerk's office staff often researches older vital records for customers conducting genealogical studies.

The City Clerk's office staff prepares the following material for the City Council: agendas, informational packets, and the permanent record of all meeting minutes for all City Council meetings. In addition, the City Clerk's staff prepares the same material for the Codes and Ordinances Committee, Historical Documents Preservation Committee, and the Records Retention Committee.

The City Clerk updates the City Clerk's Department "web page" and the Deputy City Clerk updates the City Clerk's Department Facebook and Twitter accounts.

Kelly Walters was appointed as the City Clerk in December of 2012 and Marcia Roddy was appointed as the Deputy City Clerk in December 2012. Special recognition goes to Nancy Carignan, Assistant City Clerk, Diane Moses, Assistant City Clerk, and all Election Officials who assisted with the State Primary and State Election during fiscal year 2013.

Vital Statistics and Related Revenues

The following statistics have been generated for the City of Rochester from reports from the State Bureau of Vital Records from July 1, 2013 to June 30, 2014: There were 351 babies born in the City of Rochester, 140 of which were from Rochester residents. There were 234 marriage intentions filed with the City of Rochester and 174 marriages were performed in Rochester according to the State of New Hampshire. As for deaths, there were 341 resident deaths reported and 306 deaths occurred in the City of Rochester.

E. Nicholl Marshall, Division of Vital Records Administration, Concord, New Hampshire, provided interesting statistics for the City of Rochester. The heaviest baby weighed 10 pounds 3 ounces. The top two baby names for the City of Rochester for fiscal year 2014 are as follows:

Girls
Olivia

Boys
Parker

Sophia, Harper, and Chloe [tied] Lucas and Camden [tied]

Adams Fund / Pray Fund

The Deputy City Clerk submitted three applications to the Adams Fund/Pray Fund to the Charter Trust Company. The total amount awarded between the three applicants was \$1,246.27.

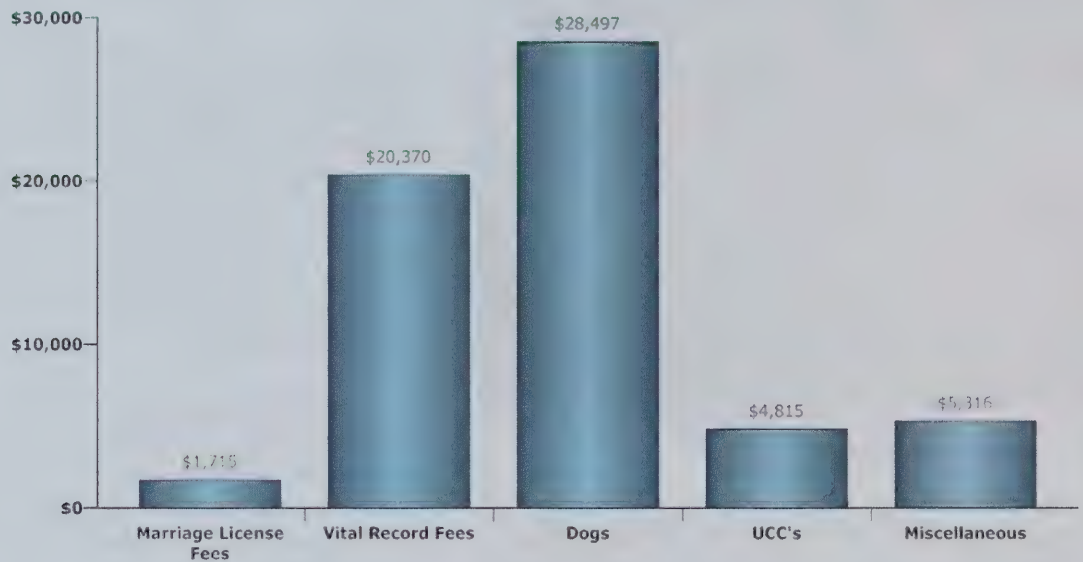
Dogs

The City Clerk's office issued 5,980 dog licenses during Fiscal Year 2014. There were 1,371 dog owners listed on the Dog Licensing Warrant of 2014 and a total of 1,748 unlicensed dogs, which is a slight increase over Fiscal Year 2013.



4.1 City Clerk's Office (...continued)

City Clerk Revenue
Fiscal Year 2014
\$60,713



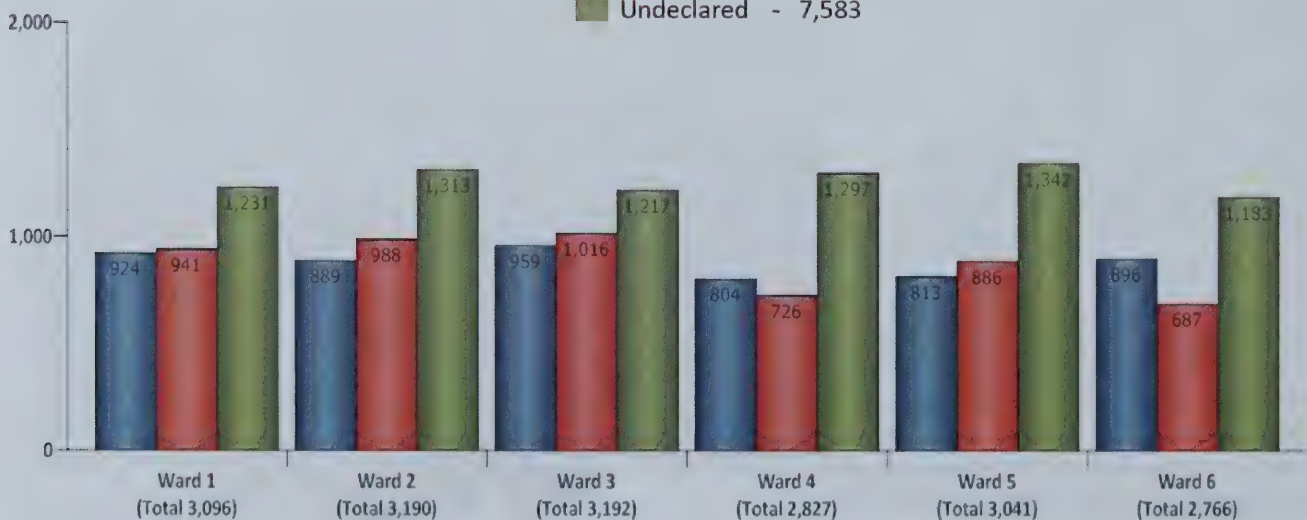
Elections

The City Clerk supervised one election during Fiscal Year 2014: The November 5, 2013, Municipal Election. The City Clerk's office assisted with accepting new voter registrations, address changes, and party affiliation changes. The City Clerk's staff attended election training, coordinated each Supervisor's Session and Moderators' Session. The City Clerk's staff provided in-home voter registration for the elderly and disabled.

The City Clerk's staff communicated with other town and city clerks throughout New England in order to keep the Election database up to date. All checklists and warrants were posted according to State Law.

As of June 30, 2013, there were a total of 18,112 registered voters in Rochester, New Hampshire and the breakdown to party affiliation is as follows:

Democrats - 5,285
 Republicans - 5,244
 Undeclared - 7,583



FY 2014 Resolutions

July 1, 2013 to June 30, 2014

Resolution Accepting Coast Community Funds Grant for Bus Stop Shelter Pads and Making a Supplemental Appropriation in Connection Therewith. ADOPTED: First Reading, Second Reading, and Adoption on July 2, 2013 [FY 14 – P. 9] **CC FY 14 AB 109**

Resolution Authorizing Supplemental Appropriation to the 2013-2014 Capital Budget of the City of Rochester for the So-Called Four Pump Station Upgrade Project to the Following Pump Stations: Weeping Willow; Autumn Street; Sawyer Avenue; and Kirsten Pump Station. ADOPTED: First Reading, Second Reading, and Adoption on August 6, 2013 [FY 14 – P. 25] **CC FY 14 AB 111**

Resolution Accepting Federal EDA Grant and Certain Private Donations with Respect to the So-Called EDA Salmon Falls Road to New Hampshire Route 125 Water and Sewer Main Extension Project(s) and Making a Supplemental Appropriation in Connection therewith. ADOPTED: First Reading, Second Reading and Adoption on August 6, 2013 [FY 14- P. 26] **CC FY 14 AB 112** AND a follow up Resolution as follows: Resolution Changing Funding Source of Fiscal Year 2012-2013 Sewer Works Capital Improvements Budget So-Called EDA Salmon Falls Road to New Hampshire Route 125 Water and Sewer Main Extension Project and Ratifying and Affirming an Appropriation in Connection Therewith. **CC FY 14 AB 113** ADOPTED: First Reading, Second Reading, and Adoption Resolutions on August 6, 2013 [FY 14 – P. 26] Also see AB 169 [FY 14 – P. 421]

Resolution Approving and Supporting Strafford County CDBG Funds Grant for the So-Called Rochester Hill Water Line Loop Project. FAILED: First Reading and Attempted Adoption on August 6, 2013 [FY 14 – P. 33] **CC FY 14 AB 114**

Resolution Changing the Funding Source of Fiscal Year 2002-2003 Sewer Works Capital Improvements Budget East Rochester I & I Project [03502], and Ratifying and Affirming an Appropriation in Connection Therewith. ADOPTED: First Reading August 6, 2013 [FY 14 – P. 35] Public Hearing September 3, 2013 [FY 14 – P. 46] Second Reading and Adoption September 3, 2013 [FY 14 – P. 78] **CC FY 14 AB 115**

Resolution Changing the Funding Source of Fiscal Year 2004-2005 Sewer Works Capital Improvements Budget East Rochester I & I Project [05539], and Ratifying and Affirming an Appropriation in Connection Therewith. ADOPTED: First Reading August 6, 2013 [FY 14 – P. 36] Public Hearing September 3, 2013 [FY 14 – P. 47] Second Reading and Adoption September 3, 2013 [FY 14 – P. 79] **CC FY 14 AB 116**

Resolution Authorizing Supplemental Appropriation to the 2013-2014 Capital Budget of the City of Rochester, for the So-Called East Rochester I & I Sewer Project [06543]. ADOPTED: First Reading August 6, 2013 [FY 14 – P. 36] Public Hearing September 3, 2013 [FY 14 – P. 78] Second Reading and Adoption September 3, 2013 [FY 14 – P. 81] **CC FY 14 AB 117**

Resolution Authorizing Supplemental Appropriation to the 2013-2014 Capital Budget of the City of Rochester for the So-Called East Rochester I & I Sewer Project [06543]. ADOPTED: First Reading August 6, 2013 [FY 14 – P. 38] Public Hearing September 3, 2013 [FY 14 – P. 49] Second Reading and Adoption September 3, 2013 [FY 14 – P. 81] **CC FY 14 AB 118**

Resolution De-Authorizing Portion of the Sewer Works Collection System Upgrade for Fiscal Year 2007-2008 Budget Appropriation. CONSENT CALENDAR ADOPTED: August 6, 2013 [FY 14 – P. 39] **CC FY 14 AB 119**

Resolution De-Authorizing Portion of Internet Crimes Against Children Overtime Grant Fiscal Year 2012-2013 Budget Appropriation. CONSENT CALENDAR ADOPTED: August 6, 2013 [FY 14 – P. 40] **CC FY 14 AB 120**

Resolution De-Authorizing Utility Pole Relocation Fiscal Year 2011-2012 Budget Appropriation. CONSENT CALENDAR ADOPTED: August 6, 2013 [FY 14 – P. 41] **CC FY 14 AB 121**

Resolution Approving Contract and Cost Items Associated with Proposed City of Rochester, Rochester School Department Multi-Year Collective Bargaining Agreement with American Federation of Teachers, Local 3607, (School Department Teachers' Bargaining Unit). ADOPTED: First Reading and Adoption September 3, 2013 [FY 14 – P. 55] **CC FY 14 AB 122**

Resolution Approving Contract and Cost Items Associated with Proposed City of Rochester, Rochester School Department Multi-Year Collective Bargaining Agreement with American Federation of Teachers, Local 3607, (School Department Food Service Workers' Bargaining Unit). ADOPTED: First Reading and Adoption September 3, 2013 [FY 14 – P. 56] **CC FY 14 AB 123**

Resolution Approving Contract and Cost Items Associated with Proposed City of Rochester, Rochester School Department Multi-Year Collective Bargaining Agreement with American Federation of Teachers, Local 3607, (School Department Paraprofessionals' Bargaining Unit). ADOPTED: First Reading and Adoption September 3, 2013 [FY 14 – P. 56] **CC FY 14 AB 124**

Resolution Accepting Anderson Lane, Collins Circle, and Givens Circle. ADOPTED: First Reading and Adoption September 3, 2013 [FY 14 – P. 64] **CC FY 14 AB 125**

Resolution Establishing Polling Places and Times for the November 5, 2013, Municipal Election. ADOPTED: First Reading and Adoption September 3, 2013 [FY 14 – P. 65] **CC FY 14 AB 126**

FY 2014 Resolutions

July 1, 2013 to June 30, 2014 (continued...)

Resolution for City Manager to Submit Application to Commissioner of DRED to have the So-Called Milton Road Revitalization Zone Designated as a So-Called Economic Revitalization Zone Pursuant to the Provisions of RSA 162-N. ADOPTED: First Reading and Adoption September 3, 2013 [FY 14 – P. 66] **CC FY 14 AB 127**

Resolution Accepting Local Government Center Health/Dental Related Refunds and Making Supplemental Appropriations in Connection Therewith. ADOPTED: First Reading, Second Reading, and Adoption September 3, 2013 [FY 14 – P. 70] **CC FY 14 AB 129**

Resolution Pertaining to the FY 2007 Ground Water Development CIP Project # 07525 a De-Authorization of Funds and a Change in Funding Source. ADOPTED: First Reading September 3, 2013 [FY 14 – P. 73] Public Hearing October 1, 2013 [FY 14 – P. 87] Second Reading and Adoption October 1, 2013 [FY 14 – P. 111] **CC FY 14 AB 130**

Resolution Pertaining to the FY 2009 Ground Water Resource Development CIP Project # 09541 a De-Authorization of Funds. ADOPTED: First Reading September 3, 2013 [FY 14 – P. 74] Public Hearing October 1, 2013 [FY 14 – P. 88] Second Reading and Adoption October 1, 2013 [FY 14 – P. 112] **CC FY 14 AB 131**

Resolution Pertaining to the FY 2008 Ground Water Development CIP Project # 08256 a De-Authorization of Funds and a Change in Funding Source. ADOPTED: First Reading September 3, 2013 [FY 14 – P. 74] Public Hearing October 1, 2013 [FY 14 – P. 87] Second Reading and Adoption October 1, 2013 [FY 14 – P. 114] **CC FY 14 AB 132**

Resolution Authorizing and Approving Transfers in Various Fiscal Years to the 2013-2014 Community Block Grant Budget And Making a Supplemental Appropriation in Connection Therewith for the Rochester Community Center Gym Heater Project. ADOPTED: Public Hearing October 1, 2013 [FY 14 – P. 90] First Reading October 1, 2013 [FY 14 – P. 96] Second Reading and Adoption [FY 14 – P. 115] **CC FY 14 AB 133**

Resolution Supporting Frisbie Memorial Hospital Relative to Implementation of the New Hampshire Health Insurance Exchange under the Affordable Care Act. ADOPTED: First Reading and Adoption October 1, 2013 [FY 14 – P. 95] **CC FY 14 AB 134**

Resolution De-Authorizing FY 2009-2010 Department of Public Works Paint Bay Equipment Capital Budget Appropriation. ADOPTED: First Reading, Second Reading, and Adoption October 1, 2013 [FY 14 – P.108] **CC FY 14 AB 136**

Resolution De-Authorizing FY 2009-2010 DPW Wash Bay Capital Budget Appropriation. ADOPTED: First Reading, Second Reading, and Adoption October 1, 2013 [FY 14 – P.109] **CC FY 14 AB 137**

Resolution De-Authorizing FY 2011-2012 City of Rochester Public Buildings Capital Budget Appropriation. ADOPTED: First Reading, Second Reading, and Adoption October 1, 2013 [FY 14 – P.110] **CC FY 14 AB 138**

Resolution Accepting US Department of Justice, Justice Assistance Grant to the Rochester Police Department and Making a supplemental Appropriation in Connection Therewith. ADOPTED: First Reading, Second Reading, and Adoption October 1, 2013 [FY 14 – P.119] **CC FY 14 AB 140**

Resolution Expressing City of Rochester Support for Green Infrastructure Grant Application and Authorizing a Commitment of Matching Funds if Grant is Awarded to City. ADOPTED: First Reading and Adoption October 15, 2014 [FY 14 – P.128] **CC FY 14 AB 141**

Resolution Accepting Funds to the Rochester Police Department for "Operation Safe Commute" Patrol and Making a Supplemental Appropriation in Connection Therewith. ADOPTED: First Reading and Adoption October 15, 2014 [FY 14 – P.129] **CC FY 14 AB 142**

Resolution Accepting US Homeland Security Grant for Three (3) Portable Radios. ADOPTED: First Reading and Adoption October 15, 2014 [FY 14 – P.131] **CC FY 14 AB 143**

Resolution Authorizing and Approving a Transfer within the Fiscal Year 2013-2014 Community Block Grant Budget and Making a Supplemental Appropriation in Connection Therewith for Gonic School Playground Project. ADOPTED: First Reading November 6, 2013 [FY 14 – P.223] Public Hearing November 19, 2013 [FY 14 – P.265] Second Reading, and Adoption December 3, 2013 [FY 14 – P.268] **CC FY 14 AB 147**

Resolution De-Authorizing FY 2005-2006 City of Rochester Economic Development Capital Budget Appropriation. ADOPTED: First Reading, Second Reading, and Adoption November 6, 2013 [FY 14 – P.232] **CC FY 14 AB 148**

Resolution De-Authorizing a Portion of a Certain FY 2011-2012 Rochester Fire Department "RFD" NH Fire Safety and Training Homeland Security Grant funds Operating Budget Appropriation. ADOPTED: First Reading, Second Reading, and Adoption November 6, 2013 [FY 14 – P.233] **CC FY 14 AB 149**

Resolution Establishing Levels for Certain Real Property Tax Exemptions and/or Credits in the City of Rochester for the 2014 and Subsequent Tax Years. ADOPTED: First Reading and Adoption November 6, 2013 [FY 14 – P.235] **CC FY 14 AB 150**

Resolution Accepting Wal-Mart Donation of Two (2) I-Pads to the Rochester Fire Department for use in Connection with Fire Safety Related Inspections. ADOPTED: First Reading, Second Reading, and Adoption November 6, 2013 [FY 14 – P.236] **CC FY 14 AB 151**

Resolution Changing Funding source of FY 2011-2012 Sewer Works Capital Improvements Budget for NH Route 125 Pump Station Project, and Repurposing Funds and Taking Additional Actions in Connection Therewith. ADOPTED: First Reading November 6, 2013 [FY 14 – P. 238] Public Hearing November 19, 2013 [FY 14 – P. 263] Second Reading and Adoption December 3, 2013 [FY 14 – P.307] **CC FY 14 AB 152**

Resolution Establishing a Revenue Account for Receipt of Rochester Police Department ICAC Grant Awards and Making A Supplemental Appropriation in Connection Therewith. ADOPTED: First Reading, Second Reading, and Adoption November 6, 2013 [FY 14 – P.239] **CC FY 14 AB 153**

Resolution De-Authorizing a So-Called NH Route 108 Sewer Extension Project Clean Water State Revolving Fund Appropriation in the Amount of \$600,000. ADOPTED: First Reading, Second Reading, and Adoption November 6, 2013 [FY 14 – P.241] **CC FY 14 AB 154**

Resolution De-Authorizing a Portion of a Certain FY 2003-2004 Rochester Sewer Works So-Called Route 108 Sewer Extension Project CIP Budget Appropriation and Making a Supplemental Appropriation in Connection Therewith. ADOPTED CONSENT CALENDAR – December 3, 2013 First Reading, Second Reading, and Adoption [FY 14 – P. 279] **CC FY 14 155**

Resolution De-Authorizing Portion of FY 2012-2013 City of Rochester, Sewer Works, Capital Budget Appropriation for the So-Called Soda Ash Silo Maintenance Project. CONSENT CALENDAR ADOPTED: December 3, 2013 [FY 14 – P. 281] **CC FY 14 AB 156**

Resolution De-Authorizing Portion of FY 2011-2012 City of Rochester, Sewer Works Capital Budget Appropriation for So-Called UV Disinfection Project. CONSENT CALENDAR ADOPTED: December 3, 2013 [FY 14 – P. 281] **CC FY 14 AB 157**

Resolution De-Authorizing Portion of FY 2010-2011 City of Rochester Sewer Works Capital Budget Appropriation for So-Called Clarifier Maintenance Program. CONSENT CALENDAR ADOPTED: December 3, 2013 [FY 14 – P. 282] **CC FY 14 AB 158**

Resolution De-Authorization Portion FY 2007-2008 City of Rochester, Sewer Works Capital Budget Appropriation for So-Called Leachate Discharge Study. CONSENT CALENDAR ADOPTED: December 3, 2013 [FY 14 – P. 283] **CC FY 14 AB 159**

Resolution De-Authorizing Portion of FY 2007-2008 City of Rochester, Sewer Works, Capital Budget Appropriation for So-Called Alternate Wastewater Discharge Study. CONSENT CALENDAR ADOPTED: December 3, 2013 [FY 14 – P. 284] **CC FY 14 AB 160**

Resolution De-Authorizing So-Called Lagoons Number 2 Pump Station Project Capital Budget Appropriation. CONSENT CALENDAR ADOPTED: December 3, 2013 [FY 14 – P. 285] **CC FY 14 AB 161**

Resolution De-Authorizing Portion of FY 2006-2007 Sewer Works, Capital Budget Appropriation for Collection System Upgrades and Changing the Funding Source of the Remaining Capital Appropriation. CONSENT CALENDAR ADOPTED: December 3, 2013 [FY 14 – P. 286] **CC FY 14 AB 162**

Resolution De-Authorizing Portion of a FY 2012-2013 Police Department Operating Budget for NH Highway Safety Agency Grant for Pedestrian Patrols. CONSENT CALENDAR ADOPTED: December 3, 2013 [FY 14 – P. 287] **CC FY 14 AB 163**

Resolution Approving FEMA Grant Application by the City of Rochester Fire Department. ADOPTED: First Reading and Adoption December 3, 2013 [FY 14 – P.305] **CC FY 14 AB 164**

Resolution Changing Funding Source of FY 2012-2013 Sewer Works Capital Improvements Budget for Waste Water Treatment Plant Upgrades and Related Costs. ADOPTED: First Reading December 3, 2013 [FY 14 – P.306] Public Hearing December 17, 2013 [FY 14 – P. 313] Second Reading, and Adoption [FY 14 – P.] **CC FY 14 AB 165**

Resolution Authorizing Finance Director to Serve as Fiscal Agent for So-Called Peer-Review Great Bay Nitrogen Science and Related Studies. ADOPTED: First Reading and Adoption December 3, 2013 [FY 14 – P.309] **CC FY 14 AB 166**

Resolution for the Cocheco Valley Sportsmen Association to Establish the “Cocheco Valley Sportsmen Association Scholarship Fund for the Environment.” ADOPTED: First Reading and Adoption December 3, 2013 [FY 14 – P.310] **CC FY 14 AB 167**

Resolution De-Authorizing Portion of FY 2010-2011 Water Works Capital Budget Appropriation. CONSENT CALENDAR ADOPTED: January 14, 2014 [FY 14 – P. 333] **CC FY 14 AB 01**

Resolution De-authorizing a Portion of a Certain FY 2006-2007 Rochester Water Works So-Called Washington Street High Pressure Zone Project CIP Budget Appropriation and Making a Supplemental Appropriation in Connection Therewith. CONSENT CALENDAR ADOPTED: January 14, 2014 [FY 14 – P. 334] **CC FY 14 AB 02**

Resolution De-Authorizing Portions of Rochester School Department Fiscal Year's 2011, 2012, and 2014 Capital Budget Appropriations for Various Completed Capital Projects. ADOPTED: First Reading, Second Reading, and Adoption January 14, 2014 [FY 14 – P.336] **CC FY 14 AB 03**

FY 2014 Resolutions

July 1, 2013 to June 30, 2014 (continued...)

Resolution Authorizing Supplemental Appropriation to the 2013-2014 Capital Budget of the City of Rochester, School Department for the So-Called William Allen School Entrance Construction Project. ADOPTED: First Reading January 14, 2014 [FY 14 – P.338] Public Hearing March 4, 2014, [FY 14 – P. 397] Second Reading, and Adoption March 4, 2014, [FY 14 – P.405] **CC FY 14 AB 03-A**

Resolution Accepting Green Infrastructure Grant to the City of Rochester and Making a Supplemental Appropriation in Connection Therewith. ADOPTED: First Reading, Second Reading, and Adoption January 14, 2014 [FY 14 – P.339] **CC FY 14 AB 06**

Resolution Conditionally Accepting Conservation Easement with Respect to Property Situate on Peaslee Road, in Rochester, New Hampshire Known as the Hope Farm. ADOPTED: First Reading, Second Reading, and Adoption January 14, 2014 [FY 14 – P.343] **CC FY 14 AB 07**

Resolution Authorizing Supplemental Appropriation to the 2013-2014 Operating Budget of the City of Rochester, Economic Development Department, for Economic Development Marketing Services Purposes. ADOPTED: First Reading, Second Reading, and Adoption January 14, 2014 [FY 14 – P. 346] **CC FY 14 AB 12**

Resolution Accepting Grant from the State of New Hampshire for the City of Rochester's So-Called "Teen Night" Program and Making a Supplemental Appropriation in Connection Therewith. ADOPTED: First Reading, Second Reading, and Adoption January 14, 2014 [FY 14 – P. 351] **CC FY 14 AB 04**

Resolution Authorizing Supplemental Appropriation to the 2013-2014 Capital Budget of the City of Rochester, Public Works Department for the So-Called Salmon Falls Road Hazards Safety Improvement Project. ADOPTED: First Reading January 14, 2014 [FY 14 – P. 352] Public Hearing February 4, 2014 [FY 14 – P. 357] Second Reading and Adoption February 4, 2014 [FY 14 – P. 380] **CC FY 14 AB 08**

Resolution Authorizing City Manager to Convey City's Interest in Property Situate in Former Old Milton Road Right-of-Way. ADOPTED: First Reading and Adoption January 14, 2014 [FY 14 – P. 353] **CC FY 14 AB 14**

Resolution De-Authorizing Portion of A FY 2012-2013 Police Department Operating Budget for a FY 2012-2013 NH Highway Safety Grant for Speed Enforcement. CONSENT CALENDAR ADOPTED: February 4, 2014 [FY 14 – P. 372] **CC FY 14 AB 20**

Resolution De-Authorizing Portion of FY 2012-2013 Police Department Operating Budget Appropriation Regarding NH Highway Safety Agency Grant for Red Light Enforcement. ADOPTED CONSENT CALENDAR: February 4, 2014 [FY 14 – P. 372] **CC FY 14 AB 21**

Resolution De-Authorizing Portion of FY 2012-2013 Police Department Operating Budget Appropriation for NH Highway Safety Agency Grant for DWI Enforcement. CONSENT CALENDAR ADOPTED: February 4, 2014 [FY 14 – P. 373] **CC FY 14 AB 22**

Resolution De-Authorizing Portion of a FY 2007-2008 Capital Budget Appropriation for the Heath Brook Bridge and Salmon Falls Road Project. CONSENT CALENDAR ADOPTED: February 4, 2014 [FY 14 – P. 374] **CC FY 14 AB 23**

Resolution De-Authorizing Portion of the FY 2012-2013 Police Department Operating Budget Regarding NH US Marshall's (NH District) Forfeiture Distribution. CONSENT CALENDAR ADOPTED: February 4, 2014 [FY 14 – P. 375] **CC FY 14 AB 29**

Resolution for City Manager to Submit Application to the Commissioner of DRED to have the So-Called Rochester Downtown Economic Revitalization Zone Designated as an Economic Revitalization Zone Pursuant to the Provisions in RSA 162-N. ADOPTED: First Reading and Adoption February 4, 2014 [FY 14 – P. 381] **CC FY 14 AB 26**

Resolution for City Manager to Submit Application to the Commissioner of DRED to have the So-Called Gonic Downtown Economic Revitalization Zone Designated as an Economic Revitalization Zone Pursuant to the Provisions in RSA 162-N. ADOPTED: First Reading and Adoption February 4, 2014 [FY 14 – P. 381] **CC FY 14 AB 27**

Resolution Regarding the Renaming and/or Renumbering Portions of Calef Highway NH Route 125, Gonic road, Charles Street, Hancock Street, Columbus Avenue, Columbus Avenue Extension, Old Dover Road, Ancil Court, Gear Road, Main Street, Hanson Street, and Rochester Neck Road. ADOPTED: First Reading February 18, 2014 [FY 14 – P. 394] Public Hearing March 4, 2014 [FY 14 – P. 398] Second Reading and Adoption March 4, 2014 [FY 14 – P.404] **CC FY 14 AB 35**

Resolution De-Authorizing a Portion of a Certain FY 2013-2014 Rochester School Department Supplemental Appropriation and Making Certain Supplemental Appropriations in Connection with the Aforesaid De-Authorized Funds. ADOPTED: First Reading, Second Reading, and Adoption March 4, 2014 [FY 14 – P. 407] **CC FY 14 AB 37-A**

Resolution Authorizing Supplemental Appropriation to the 2013-2014 Capital Improvements Budget for the City of Rochester, School Department for the So-Called District Wide Security and Safety Project. ADOPTED: First Reading, Second Reading, and Adoption March 4, 2014 [FY 14 – P. 409] **CC FY 14 AB 37-B**

Resolution Authorizing Supplemental Appropriation to the 2013-2014 Capital Improvements Budget of the City of Rochester Department of Public Works, Sewer Works for the So-Called NH Route 125 Pump Station Project. ADOPTED: First Reading March 4, 2014 [FY 14 – P. 421] Public Hearing March 18, 2014 [FY 14 – P. 425] Second Reading and Adoption March 18, 2014 [FY 14 – P. 429] **CC FY 14 AB 169** Also See **CC FY 14 AB 112** and **CC FY 14 AB 113**

Resolution De-Authorizing So-Called Obtain Source Water Protection Land Project Capital Budget Appropriation. CONSENT CALENDAR ADOPTED: April 1, 2014 [FY 14 – P. 441] **CC FY 14 AB 36**

Resolution De-Authorizing Portion of FY 2009-2010 So-Called Water Lines Relocation (Spaulding Turnpike) Project Capital Budget Appropriation. CONSENT CALENDAR ADOPTED: April 1, 2014 [FY 14 – P. 442] **CC FY 14 AB 43**

Resolution De-Authorizing So-Called Water Lines Relocation Project (Spaulding Turnpike) Capital Budget Appropriation. CONSENT CALENDAR ADOPTED: April 1, 2014 [FY 14 – P. 443] **CC FY 14 AB 44**

Resolution Accepting an Emergency Management Performance Grant and Making a Supplemental Appropriation in Connection Therewith. ADOPTED: First Reading, Second Reading, and Adoption April 1, 2014 [FY 14 – P. 444] **CC FY 14 AB 45**

Resolution Adopting a 2014-2015 Rochester CDBG “Action Plan” for the City of Rochester, New Hampshire and Approving and Appropriating the 2014-2015 Community Development Budget for the City of Rochester. ADOPTED: First Reading April 15, 2014 [FY 14 – P. 452] Public Hearing April 29, 2014 [FY 14 – P. 477] Second Reading and Adoption May 6, 2014 [FY 14 – P. 487] **CC FY 14 AB 40**

Resolution Authorizing Supplemental Appropriation for Repairs to the So-Called Upper City Dam. ADOPTED: First Reading May 6, 2014 [FY 14 – P. 492] Public Hearing on May 27, 2014 [FY 14 – P. 525] Second Reading and Adoption May 27, 2014 [FY 14 – P. 538] **CC FY 14 AB 91**

Resolution De-Authorizing Portion of FY 2005-2006 City of Rochester, Arena Capital Budget Appropriation for the So-Called Arena Cooling Tower. ADOPTED: First Reading, Second Reading, and Adoption May 6, 2014 [FY 14 – P. 493] **CC FY 14 AB 49**

Resolution Accepting Department of Justice, Drug Enforcement, Asset Forfeiture Distribution to the Rochester Police Department and Making a Supplemental Appropriation in Connection Therewith. ADOPTED: First Reading, Second Reading, and Adoption May 6, 2014 [FY 14 – P. 494] **CC FY 14 AB 48**

Resolution Authorizing Supplemental Appropriation to the 2013-2014 Operating Budget of the City of Rochester, School Department for Unanticipated Special Education and Retirement Related Costs. ADOPTED: First Reading, Second Reading, Amended, and Adoption May 6, 2014 [FY 14 – P. 496] **CC FY 14 AB 90**

Resolution Authorizing City Manager to Enter into Permanent Easement and Temporary Construction Easement with Respect to So-Called NH Route 125 Sewer Pump Station. ADOPTED: First Reading and Adoption May 6, 2014 [FY 14 – P. 497] **CC FY 14 AB 93**

Resolution Approving the 2014-2015 Operating Budget for the City of Rochester. ADOPTED: First Reading May 6, 2014 [FY 14 – P. 498] Public Hearing May 27, 2014 [FY 14 – P. 531] Second Reading and Adoption June 3, 2014 [FY 14 – P. 588] **CC FY 14 AB 100**

Resolution Authorizing and Approving 2014-2015 Capital Budget for the City of Rochester and Authorizing Borrowing in Connection Therewith. ADOPTED: First Reading May 6, 2014 [FY 14 – P. 499] Public Hearing May 27, 2014 [FY 14 – P. 532] Second Reading and Adoption June 3, 2014 [FY 14 – P. 591] **CC FY 14 AB 101**

Resolution Adopting the Granite Ridge Development Tax District: Tax Increment Development Program & Financing Plan, and Establishing the Granite Ridge Development District. ADOPTED: First Reading May 20, 2014 [FY 14 – P. 503] Public Hearing May 20, 2014 [FY 14 – P. 521] Second Reading and Adoption June 17, 2014 [FY 14 – P. 603] **CC FY 14 AB 99**

Resolution Authorizing Supplemental Appropriation to the 2013-2014 Capital Improvements Budget of the City of Rochester, Department of Public Works, Water Works for the So-Called South Main Street Project and Authorizing Bonding in Connection Therewith. ADOPTED: First Reading May 6, 2014 [FY 14 – P. 505] Public Hearing May 27, 2014 [FY 14 – P. 526] Second Reading and Adoption May 27, 2014 [FY 14 – P. 539] **CC FY 14 AB 55**

Resolution Authorizing Supplemental Appropriation to the 2013-2014 Capital Improvements Budget of the City of Rochester, Department of Public Works, Sewer Works for the So-Called South Main Street Project from the State of New Hampshire CWSRF Funds. ADOPTED: First Reading May 6, 2014 [FY 14 – P. 506] Public Hearing May 27, 2014 [FY 14 – P. 527] Second Reading and Adoption May 27, 2014 [FY 14 – P. 540] **CC FY 14 AB 60**

Resolution Authorizing Supplemental Appropriation to the 2013-2014 Capital Improvements Budget of the City of Rochester, Department of Public Works, Water Works for the Washington Street Project and Authorizing Bonding in Connection Therewith. ADOPTED: First Reading May 6, 2014 [FY 14 – P. 508] Public Hearing May 27, 2014 [FY 14 – P. 528] Second Reading and Adoption May 27, 2014 [FY 14 – P. 541] **CC FY 14 AB 70**

FY 2014 Resolutions**July 1, 2013 to June 30, 2014 (continued...)**

Resolution Authorizing Supplemental Appropriation to the 2013-2014 Capital Improvements Budget of the City of Rochester, Department of Public Works, Water Works for the Washington Street Project and Authorizing Bonding in Connection Therewith. ADOPTED: First Reading May 6, 2014 [FY 14 – P. 509] Public Hearing May 27, 2014 [FY 14 – P. 529] Second Reading and Adoption May 27, 2014 [FY 14 – P. 542] **CC FY 14 AB 73**

Resolution Authorizing Supplemental Appropriation to the 2013-2014 Capital Improvements Budget of the City of Rochester, Department of Public Works, Sewer Works for the Washington Street Project and Authorizing Bonding in Connection Therewith. ADOPTED: First Reading May 6, 2014 [FY 14 – P. 510] Public Hearing May 27, 2014 [FY 14 – P. 530] Second Reading and Adoption May 27, 2014 [FY 14 – P. 543] **CC FY 14 AB 78**

Resolution Authorizing Supplemental Appropriation to the 2013-2014 Capital Improvements Budget of the City of Rochester, Department of Public Works, Sewer Works for the Washington Street Pump Station and Authorizing Bonding in Connection Therewith. ADOPTED: First Reading May 6, 2014 [FY 14 – P. 511] Public Hearing May 27, 2014 [FY 14 – P. 530] Second Reading and Adoption May 27, 2014 [FY 14 – P. 544] **CC FY 14 AB 84**

Resolution Authorizing City Manager to Enter into a So-Called "Skyhaven Airport, Rochester, NH Surface and Overhead Avigation Easement" with the Pease Development Authority. ADOPTED: First Reading and Adoption May 20, 2014 [FY 14 – P. 509] **CC FY 14 AB 94**

Resolution De-Authorizing Portion of FY 2002-2003 Capital Budget Appropriation for the City of Rochester, Department of Public Works for the So-Called South Main Street Project. CONSENT CALENDAR ADOPTED: May 27, 2014 [FY 14 – P. 545] **CC FY 14 AB 50**

Resolution De-Authorizing Portion of FY 2006-2007 Capital Budget Appropriation for the City of Rochester, Department of Public Works for the So-Called South Main Street Project. CONSENT CALENDAR ADOPTED: May 27, 2014 [FY 14 – P. 546] **CC FY 14 AB 51**

Resolution Authorizing Supplemental Appropriation to the 2013-2014 Capital Improvements Budget of the City of Rochester, Department of Public Works, for the So-Called South Main Street Project. CONSENT CALENDAR ADOPTED: May 27, 2014 [FY 14 – P. 547] **CC FY 14 AB 52**

Resolution Authorizing Supplemental Appropriation to the 2013-2014 Capital Improvements Budget of the City of Rochester, Department of Public Works, for the So-Called South Main Street Project from Various Private Project Contributions. CONSENT CALENDAR ADOPTED: May 27, 2014 [FY 14 – P. 548] CORRECTED/REVISED AND ADOPTED: June 17, 2014 [FY 14 – P. 601] **CC FY 14 AB 53**

Resolution De-Authorizing Portion of FY 2006-2007 Capital Budget Appropriation for the City of Rochester, Department of Public Works for the So-Called South Main Street Project. CONSENT CALENDAR ADOPTED: May 27, 2014 [FY 14 – P. 548] **CC FY 14 AB 54**

Resolution Authorizing Supplemental Appropriation to the 2013-2014 Capital Improvements Budget of the City of Rochester, Department of Public Works, Water Works for the So-Called South Main Street Project. CONSENT CALENDAR ADOPTED: May 27, 2014 [FY 14 – P. 549] **CC FY 14 AB 56**

Resolution De-Authorizing Portion of FY 2006-2007 Capital Budget Appropriation for the City of Rochester, Department of Public Works, Water Works, for the So-Called South Main Street Project. CONSENT CALENDAR ADOPTED: May 27, 2014 [FY 14 – P. 550] **CC FY 14 AB 57**

Resolution Authorizing Supplemental Appropriation to the 2013-2014 Capital Improvements Budget of the City of Rochester, Department of Public Works, Sewer Works for the So-Called South Main Street Project from Project Contributions. CONSENT CALENDAR ADOPTED: May 27, 2014 [FY 14 – P. 551] **CC FY 14 AB 58**

Resolution Authorizing Supplemental Appropriation to the 2013-2014 Capital Improvements Budget of the City of Rochester, Department of Public Works, Sewer Works for the So-Called South Main Street Project. CONSENT CALENDAR ADOPTED: May 27, 2014 [FY 14 – P. 551] **CC FY 14 AB 59**

Resolution De-Authorizing Portion of FY 2010-2011 Capital Budget Appropriation for the City of Rochester, Department of Public Works, for the So-Called North Main Street Bridge Project. CONSENT CALENDAR ADOPTED: May 27, 2014 [FY 14 – P. 552] **CC FY 14 AB 61**

Resolution Authorizing Supplemental Appropriation to the 2013-2014 Capital Improvements Budget of the City of Rochester, Department of Public Works, for the So-Called North Main Street Bridge Project. CONSENT CALENDAR ADOPTED: May 27, 2014 [FY 14 – P. 553] **CC FY 14 AB 62**

Resolution Authorizing Supplemental Appropriation to the 2013-2014 Capital Improvements Budget of the City of Rochester, Department of Public Works, for the So-Called North Main Street Bridge Project to be Funded from NH Department of Transportation Funds. CONSENT CALENDAR ADOPTED: May 27, 2014 [FY 14 – P. 554] **CC FY 14 AB 63**

Resolution De-Authorizing Portion of FY 2004-2005 Capital Budget Appropriation for the City of Rochester, Department of Public Works, for the Washington Street Project. ADOPTED CONSENT CALENDAR: May 27, 2014 [FY 14 – P. 554] **CC FY 14 AB 64**

Resolution De-Authorizing Portion of FY 2008-2009 Capital Budget Appropriation for the City of Rochester, Department of Public Works, for the Washington Street Project. ADOPTED CONSENT CALENDAR: May 27, 2014 [FY 14 – P. 555] **CC FY 14 AB 65**

Resolution Authorizing Supplemental Appropriation to the 2013-2014 Capital Improvements Budget of the City of Rochester, Department of Public Works, for the So-Called Washington Street Project. ADOPTED CONSENT CALENDAR: May 27, 2014 [FY 14 – P. 556] **CC FY 14 AB 66**

Resolution De-Authorizing Portion of FY 2008-2009 Capital Budget Appropriation for the City of Rochester, Department of Public Works, for the Washington Street Project. CONSENT CALENDAR ADOPTED: May 27, 2014 [FY 14 – P. 557] **CC FY 14 AB 67**

Resolution De-Authorizing Portion of FY 2011-2012 Capital Budget Appropriation for the City of Rochester, Department of Public Works, for the So-Called Pine Street Project. CONSENT CALENDAR ADOPTED: May 27, 2014 [FY 14 – P. 558] **CC FY 14 AB 68**

Resolution De-Authorizing Portion of FY 2011-2012 Capital Budget Appropriation for the City of Rochester, Department of Public Works, for the So-Called Pine Street Project. CONSENT CALENDAR ADOPTED: May 27, 2014 [FY 14 – P. 558] **CC FY 14 AB 69**

Resolution De-Authorizing Portion of FY 2003-2004 Capital Budget Appropriation for the City of Rochester, Department of Public Works, Water Works, for the So-Called Washington Street Project. CONSENT CALENDAR ADOPTED: May 27, 2014 [FY 14 – P. 559] **CC FY 14 AB 71**

Resolution De-Authorizing Portion of FY 2004-2005 Capital Budget Appropriation for the City of Rochester, Department of Public Works, Water Works, for the So-Called Washington Street Project. CONSENT CALENDAR ADOPTED: May 27, 2014 [FY 14 – P. 560] **CC FY 14 AB 72**

Resolution Authorizing Supplemental Appropriation to the 2013-2014 Capital Improvements Budget of the City of Rochester, Department of Public Works, Water Works for the So-Called Washington Street Project. CONSENT CALENDAR ADOPTED: May 27, 2014 [FY 14 – P. 561] **CC FY 14 AB 74**

Resolution De-Authorizing Portion of FY 2008-2009 Capital Budget Appropriation for the City of Rochester, Department of Public Works, Water Works, for the So-Called Washington Street Project. CONSENT CALENDAR ADOPTED: May 27, 2014 [FY 14 – P. 562] **CC FY 14 AB 75**

Resolution De-Authorizing Portion of FY 2011-2012 Capital Budget Appropriation for the City of Rochester, Department of Public Works, Water Works, for the So-Called Pine Street Project. CONSENT CALENDAR ADOPTED: May 27, 2014 [FY 14 – P. 563] **CC FY 14 AB 76**

Resolution De-Authorizing Portion of FY 2011-2012 Capital Budget Appropriation for the City of Rochester, Department of Public Works, Water Works, for the So-Called Pine Street Project. CONSENT CALENDAR ADOPTED: May 27, 2014 [FY 14 – P. 564] **CC FY 14 AB 77**

Resolution Authorizing Supplemental Appropriation to the 2013-2014 Capital Improvements Budget of the City of Rochester, Department of Public Works, Sewer Works for the So-Called Washington Street Project. CONSENT CALENDAR ADOPTED: May 27, 2014 [FY 14 – P. 565] **CC FY 14 AB 79**

Resolution De-Authorizing Portion of FY 2008-2009 Capital Budget Appropriation for the City of Rochester, Department of Public Works, Sewer Works, for the So-Called Washington Street Project. CONSENT CALENDAR ADOPTED: May 27, 2014 [FY 14 – P. 565] **CC FY 14 AB 80**

Resolution De-Authorizing Portion of FY 2011-2012 Capital Budget Appropriation for the City of Rochester, Department of Public Works, Sewer Works, for the So-Called Pine Street Project. CONSENT CALENDAR ADOPTED: May 27, 2014 [FY 14 – P. 566] **CC FY 14 AB 81**

Resolution De-Authorizing Portion of FY 2011-2012 Capital Budget Appropriation for the City of Rochester, Department of Public Works, Sewer Works, for the So-Called Pine Street Project. CONSENT CALENDAR ADOPTED: May 27, 2014 [FY 14 – P. 567] **CC FY 14 AB 82**

Resolution De-Authorizing Portion of FY 2004-2005 Capital Budget Appropriation for the City of Rochester, Department of Public Works, Sewer Works, for the So-Called Washington Street Pump Station Project. CONSENT CALENDAR ADOPTED: May 27, 2014 [FY 14 – P. 568] **CC FY 14 AB 83**

Resolution Authorizing Supplemental Appropriation to the 2013-2014 Capital Improvements Budget of the City of Rochester, Department of Public Works, Sewer Works for the So-Called Washington Street Pump Station Project. CONSENT CALENDAR ADOPTED: May 27, 2014 [FY 14 – P. 569] **CC FY 14 AB 85**

Resolution De-Authorizing Portion of FY 2006-2007 Capital Budget Appropriation for the City of Rochester, Department of Public Works, Sewer Works, for the So-Called Washington Street Pump Station Project. ADOPTED CONSENT CALENDAR – May 27, 2014 [FY 14 – P. 570] **CC FY 14 AB 86**

FY 2014 Resolutions

July 1, 2013 to June 30, 2014 (continued...)

Resolution for Supplemental Appropriation to the Conservation Fund for Fiscal Year 2013-2014 Pursuant to the Provisions of Section 11.21 (c) of the General Ordinances of the City of Rochester. ADOPTED: First Reading, Second Reading, Amended, and Adoption June 3, 2014 [FY 14 – P. 583] **CC FY 14 AB 92**

Resolution Instructing Tax Collector Regarding Execution of Tax Deeds. ADOPTED: First Reading, Second Reading, Amended, and Adoption June 3, 2014 [FY 14 – P. 586] **CC FY 14 AB 102**

Resolution Authorizing Supplemental Appropriation to the 2014-2015 Capital Improvements Budget of the City of Rochester, Department of Public Works, for the So-Called Stillwater Circle Bridge Repair Project, and Authorizing Borrowing in Connection Therewith - NOT ADOPTED UNTIL FY 15 First Reading June 17, 2014 AB 103 [FY 14 – P. 602] – See **CC FY 15 AB 004** [FY 15 – P.22]

Resolution Authorizing City Manager to Enter into a So-Called "Development Agreement Between City of Rochester, New Hampshire and Demoulas Super Markets Inc., RE City Water and Sewer Line Extensions." ADOPTED: First Reading, Second Reading, and Adoption June 17, 2014 [FY 14 – P. 605] **CC FY 14 AB 104**

Resolution Approving Cost Items Associated with Proposed City of Rochester Multi-Year Collective Bargaining Agreement with New England Police Benevolent Association NEBPA Local 123 – Bargaining Unit –Communication Employees. ADOPTED: First Reading and Adoption June 17, 2014 [FY 14 – P. 606] **CC FY 14 AB 106**

Resolution Approving Cost Items Associated with Proposed City of Rochester Multi-Year Collective Bargaining Agreement with State Employees Association of New Hampshire SEIU Local 1984 – The Rochester Municipal Employees [RMEA] Municipal Employees. ADOPTED: First Reading and Adoption June 17, 2014 [FY 14 – P. 609] **CC FY 14 AB 107**

Resolution Approving Cost Items Associated with Proposed City of Rochester Multi-Year Collective Bargaining Agreement with New England Police Benevolent Association NEBPA Local 123 – Bargaining Unit – Police Employees. ADOPTED: First Reading and Adoption June 17, 2014 [FY 14 – P. 611] **CC FY 14 AB 108**

4.3

Community Development Division

Reports for the following are included in this section:

- 4.3a Building, Zoning & Licensing Services Department
- 4.3b Economic Development Department
- 4.3c Community Development Block Grant (CDBG)
- 4.3d Planning Department

The purpose of creating the Division of Community Development, and joining the departments of Building, Zoning & Licensing Services, Economic Development & Planning is:

To approach community development services as a full spectrum of activity, providing comprehensive support and professional assistance, and attracting sustainable investments in business, housing and community projects.

DIVISION VALUES

- Mission and Results Directed
- Team and Network Driven – Communicate!
- Accountable for Performance
- Add Value – Be a Problem Solver
- Educate and Inform – Subject Matter Experts
- Focus on What's Best for Citizens and Clients



4.3a Building, Zoning & Licensing Services Department

The Building, Zoning & Licensing Department has been extremely active. As the population of the City of Rochester has grown to approximately over 30,000 residents, so does the responsibility of the department to assist residents and visitors in the City of Rochester. This office remains dedicated to this responsibility and will continue its program of being a pro-active department ensuring the health and safety of the citizens of Rochester.

BUILDING INSPECTION

The duties of the department include the administration of National Codes, the review and issuance of building permits, and the inspection of construction sites to ensure conformance of these codes; additionally enforcing compliance of the Zoning Ordinance and Planning Board approvals.

A total of one thousand nine hundred thirty five (1,935) permits were issued with an estimated building cost of \$34,565,033.00. With the combination of building, health, and miscellaneous inspections and activities, there were two thousand one hundred fifty seven (2,157) inspections completed. Additionally, there were one thousand nine hundred thirty five (1,938) plans reviewed.

The major health related duties of the department continue to be the licensing and inspections of two hundred eighty five (285) of the City's food service establishments. We have worked closely with the owners and operators to ensure compliance with the New Hampshire rules for the sanitary production and

distribution of food. During the year each food establishment was inspected a minimum of twice, by generating approximately five hundred seventy (570) health related inspections. As a whole, Rochester's food establishments are in full compliance.

The Board of Health comprised the following members:

Dr. Thomas Moon, Regular Member (term expired)
John Larochelle, Regular Member
Dr. Terry Bennett, City Physician/ Member (term expired)
Regular Member, Vacant
Mr. James Grant, Health Officer and Director of Building, Zoning and Licensing Services

Zoning and Licensing

The department also performed inspections of day care and foster home facilities.

Having our Compliance Officer, three hundred eight (308) complaints were received; one hundred forty two (142) snipe signs were removed throughout the City. Out of these complaints, there were one hundred twenty eight (128) written violation letters sent. These letters and complaints generated a minimum of three hundred eighty nine (389) inspections. There were eleven (11) court cases, ten (10) were in favor of the city and one (1) is still pending.

The Zoning Board of Adjustment reviewed twenty six (26) cases. Out of these cases, twenty two (22) were approved, two (2) were denied, one (1) case withdrawn and one (1) was postponed.

Other general activities by the department include: Inspections and licensing of twenty six (26) mobile home parks, sixteen (16) amusement licenses, eighteen (18) taxi licenses (company, drivers, and vehicles), a combination of three (3) motor vehicle junk yards, two (2) junk dealer licenses combined, thirty one (31) second hand dealers, four (4) pawnbrokers and eight (8) hawkers & peddlers. Therefore, the department has been extremely busy serving the City of Rochester.

Respectfully submitted,

James Grant;
Director Building, Zoning & Licensing Services

The total revenue collected by the Building, Zoning & Licensing Department is categorized as follows:

Food Establishment Licenses	\$ 33,493.00
Taxi Licenses	850.00
Junk, 2nd Hand, Pawn &	
Hawkers&Peddlers Licenses	2,650.00
Amusement Licenses	2,790.00
Building Permits	\$ 332,305.02
Miscellaneous Fees & Fines	1,855.40
TOTAL	\$ 373,943.42
Less Refunds, Waived Fees (Veteran & Municipal)	<88,660.00>
TOTAL	\$ 285,283.42
The total amount expended by the department was	\$ 493,311.90

4.3b Economic Development Department

Transportation and Utilities

Rochester is home to the Skyhaven Airport, which is owned by the State of New Hampshire Department of Transportation and operated by the Pease Development Authority. The airport provides public and private flight services, with a FBO (fixed base operator) offering pilot services. Skyhaven Airport is undergoing multiple major improvements in FY 14 and FY 15. Currently underway is the permitting process for the installation of airport lighting and instrumentation. Pease has acquired additional land and is acquiring easements for airspace in the vicinity of Skyhaven Airport. Following the instrumentation, the runway will be resurfaced and extended from 4,000 feet to 5,100 feet.

Rochester is served by multiple transportation companies available for commuting, shopping, recreation and business. COAST is the public, non-profit system that provides public transportation connecting Rochester with surrounding communities. COAST has expanded services within the community, providing additional stops in East Rochester and on Route 11. In the future they will be seeking expansion into Gonic to service residents, commercial and business interests. COAST provides dedicated express shuttle service to the Pease International Tradeport and the Portsmouth Naval Shipyard for hundreds of residents who work there. C & J Trailways services Rochester from the NHDOT Park and Ride at Exit 9 of the Spaulding Turnpike and access to points south including Portsmouth, New Hampshire, Boston's Logan International Airport, South Station and Downtown Crossing. Greyhound offers daily stops in nearby Portsmouth. The University of New Hampshire's ("UNH") Wildcat Transportation offers daily express service between Rochester and the UNH campus for employees and students. This service, currently operating from a shopping center on North Main Street adjacent to Exit 14 of the Spaulding Turnpike, will relocate to the new State of New Hampshire DOT Park and Ride facility near Exit 13 and across NH Route 202 from Rochester Crossing. Amtrak provides commuter rail service on the Downeaster between Maine and Boston, providing multiple nearby connections.

Rochester businesses utilize an active freight rail line owned by New Hampshire Northcoast, with a commercial siding in the Northcoast Industrial Park near Exit 16 of the Spaulding Turnpike on Route 125. Easy access to rail provides an alternative means for manufacturers to transport their products and raw materials with significant savings. New Hampshire Northcoast was awarded a TIGER 3 Grant from the U.S. DOT to

improve the tracks and make needed upgrades between Rochester and Ossipee, NH. State highway routes include New Hampshire Routes 11, 108, 125, 202 and the Spaulding Turnpike (Route 16), a four lane, limited access highway with six Rochester exits. The State of New Hampshire has just completed a \$130 million improvement and expansion project on the Spaulding Turnpike, doubling the capacity of the highway and improving all six exits into Rochester. The Spaulding Turnpike provides a direct connection to Interstate 95, running from Maine's Canadian border to the tip of Florida. The Pease International Tradeport, Boston's Logan Airport, Portland International Jetport and the Port of Portsmouth are all connected to I-95. New Hampshire Route 202 provides a direct westerly route to Concord, New Hampshire and an easterly route to Portland, Maine. Also running from Rochester, Route 125 connects with Route 101 offering connections to Manchester.

Electric power is provided by the Public Service Company of New Hampshire ("PSNH"). PSNH has completed a major substation expansion, and is continuing major transmission upgrades and expansions in 2014 and 2015. Water and sewer services are supplied to residents and businesses by the City. City staff have been recognized at the regional level for the excellent work in management of our waste treatment facilities. Natural gas infrastructure is supported by Unitil and was expanded to new business zones in 2012.



4.3b Economic Development Department (continued...)

HUMAN RESOURCES & PERSONNEL

This Fiscal Year 2014 was a “transition year” for professional staff. The previous year had ended with Kenn Ortmann and Caroline Lewis retiring from the Planning Department, and in a continuing reorganization of the Community Development Division, two Planner 1’s were hired. Samantha Rodgers was promoted to the new position of Executive Assistant to the City Manager. Mary Ellen Humphrey left the city for another opportunity. Karen Pollard temporarily stepped down from Deputy City Manager/Director of Community Development to Economic Development Manager.



FY 14 New Employees: Seth Creighton, Planner 1
Michelle Mears, Planner 1
Jennifer Murphy Aubin, Executive Secretary
Jennifer Marsh, Economic Development Specialist

Committee responsibilities were changed as well, to align with the skills and abilities of each staff member.



City of Rochester Community Development Division Committee Assignments as of September 1, 2013:

- ☑ Rochester Economic Development Commission – Karen Pollard, Deputy City Manager
- ☑ Community Development Committee – Elena Engle, Community Development Specialist
- ☑ Planning Board – Jim Campbell, Chief Planner and Crystal DeButts, Secretary 2
- ☑ Conservation Commission – Seth Creighton, Planner 1
- ☑ Historic District Commission – Michelle Mears, Planner 1
- ☑ Arts & Culture Commission – Michelle Mears, Planner 1 and Jennifer Murphy Aubin, Exec Sec
- ☑ Zoning Board of Adjustment – Jim Grant, Director of Codes and Karen Grenier, Secretary 2
- ☑ Riverwalk Committee – Seth Creighton, Planner 1
- ☑ Technical Review Committee – Mary Ellen Humphrey, Economic Development Specialist



Key Economic Development Programs & Marketing:

- ☒ Start Up Competition - \$30,000 in prizes – Winner VidFall
- ☒ ThinkRochester TV Show & Newsletter – both won NEDA Marketing Awards “Best in Class”
- ☒ Monthly Business Roundtables
- ☒ Quarterly Manufacturing Exchange
- ☒ Manufacturing Week – October (tours of manufacturers by students)
- ☒ Seacoast Regional Development Orgs. - Rack Card for Paris Airshow
- ☒ Innovate in the Granite State articles
- ☒ Community Branding Committee
- ☒ Renew Commitment with Buxton
- ☒ State of the City Address Annual Breakfast Event
- ☒ Infinite Canvas Photography Project with Spaulding High School
- ☒ Downtown Investment Group
- ☒ Award of Excellence in Economic Development - Expansion Solutions – one of 5 in U.S.
- ☒ High Performance EDOs – Bronze Medal by Atlas Advertising
- ☒ Partner with Main Street & Chamber – Munch Madness, BBQ & Blues, etc.
- ☒ First Annual Arts & Culture Commission Awards
- ☒ Waterstone Project of the Month – NEREJ May 2014
- ☒ NEREJ Cocktails & Conversations June 2014
- ☒ ICSC Trade Shows – Hartford & Las Vegas
- ☒ Comprehensive Rezoning Review & memos, Sign Ordinance
- ☒ Customer Service Self Directed Work Team
- ☒ Myers-Briggs Team Building
- ☒ Ethics & Compliance Training
- ☒ Business Retention Meetings & Visits
- ☒ UNH Economic Development Academy – Jennifer Murphy Aubin
- ☒ Local Government Center Leadership Academy – Jennifer Murphy Aubin



4.3b Economic Development Department (continued...)

Industry and Commerce

The City enjoys a mix of industrial development with eight dedicated business parks providing premier locations for businesses of all types, sizes and industries. Below are the eight parks and some notes of interest on each:

Granite State Business Park – A 350-acre multi-use industrial and high-technology park. The site is intended for manufacturing, research and development, warehousing and distribution, office space and service use. The City of Rochester and the State of New Hampshire designated the Granite State Business Park as an Economic Revitalization Zone in 2010, encouraging investments in CAPEX (capital expenditures) and personnel hiring and training in return for state tax credits. Amenities include on-site airport, freight rail access, water, sewer, natural gas, redundant electrical power and broadband internet via cable or telephone provider. It has direct access to New Hampshire Route 108 and a COAST bus stop.

GSPB is the largest of Rochester's collection of industrial parks and the City added 100 acres and built Innovation Drive in 2012. The park currently houses over 700 skilled and semi-skilled employees at the following companies:

- Safran USA, Albany International Inc. (Corporate Headquarters), Albany Engineered Composites, ServiceMaster, Austin Antenna, Excellent Dog Enterprises, Frisbie Medical Center Record Storage Facility and SpecTex, Phase II Medical, Amarosa Industrial, All Door & Lock.
- NCS Global (formerly Newport Computers) completed construction of a 30,000 square foot facility in 2013, with room for future expansion. The facility is LEED Certified Silver and the first privately-owned LEED Certified building in Rochester.

Ten Rod Road Business Park – A 73.8 acre park which boasts improved access to Spaulding Turnpike. This conveniently located park is able to accommodate large and small companies with office space, manufacturing and research and development areas. The entrance road, signage and lighting was completely reconstructed and replaced in 2013 in conjunction with the improvements to Exit 14 of the Spaulding Turnpike and Ten Rod Road.

- Ashland Electric, Laars Heating Systems (Corporate Headquarters), Eastern Propane & Oil (Corporate Headquarters), eCoast Sales Solutions and Strafford County Board of Realtors, Anseri Corp, Smart Assistive Technologies, Granite State College, Manchester YMCA, Education Transportation of America, Granite State Settlement and Title, Accident Benefit Association.

Cocheco District - Old Dover Road: The City of Rochester and the State of New Hampshire designated the Cocheco Redevelopment District as an Economic Revitalization Zone in 2013, encouraging investments in CAPEX (capital expenditures) and personnel hiring and training in return for state tax credits.

- Thompson Investment Castings, Fiesta Candy, Rochester Public Works Garage, MGM Merchandising, Sherwin Williams, Sylvan Learning Center, TD Bank, Northeast Credit Union, ServiceLink, Community Partners, Salmon Falls Behavioral Health.

NH Northcoast Industrial Park – A 51-acre park is located in the northern part of the City near Exit 16 of the Spaulding Turnpike and with direct access to the State of Maine through the Route 202 Connector. It is an ideal location for heavy industry due to its location and superior rail access with an active siding.

- Eastern Propane & Oil, Ossipee Aggregates, New Hampshire Northcoast Corporation

Gonic Industrial Park – A 65-acre development which was one of Rochester's first industrial parks and continues to host successful businesses today.

- The Rubber Group, Liberty Research, Spaulding Composites, Textile Tapes, Oasis Alignment Services and Dover-Flexo Electronics, Brox Industries.

Gerrity Business Park – A 23.6-acre park located in the downtown area. It abuts the active New Hampshire Northcoast Railroad on the west side of the property and currently houses a number of small, thriving businesses, as well as a few lots not yet developed.

- Witway Supply, Fastenal, Cleary Cleaners Inc., A-D Archambault Plumbing & Heating Inc., Crooked Birch, Kid Properties, Athletic Innovations, Norm Vetter Industries, Scarponi Electric. Torr Overhead and the US Postal Service are located close by.

Crossroads Industrial Park – A 35.47 acre park office offering research and development and manufacturing /warehouse space in a strategic location off Exit 16 of the Spaulding Turnpike. The City of Rochester was awarded a \$1.9 Million U.S. Economic Development Administration Grant to fund a 3.8 Million expansion of the municipal sewer system in 2013. This will attract additional businesses and investment to the area, and involves commitments by several existing local firms to expand.

The City of Rochester and the State of New Hampshire designated the Crossroads Industrial Park and an adjacent section of Route 125 as an Economic Revitalization Zone in 2013, encouraging investments in CAPEX (capital expenditures) and personnel hiring and training in return for state tax credits.

- Stonewall Kitchen Warehouse and Retail Store, Northeast Nonwovens, Irving Oil, Apex Construction, Race Services, Nextgen Telecom Services.

Significant Employers

<u>Name</u>	<u>Type of Business</u>	<u>Approx. # of Emp.</u>
City of Rochester	Schools Education	1,155
Frisbie Memorial Hospital	Health Care services	655
City of Rochester	Municipal services	617
Hannaford Brothers	Supermarket	464
Albany Engineered Composites Aerospace	Engineered products	433
Market Basket	Supermarket	320
Eastern Propane & Oil	Retail propane & oil	310
Wal-Mart Supercenter	Retail store & supermarket	295
Waste Management	Recycling & solid waste	200
Lydall, Inc.,	Performance filtration media	200
Laars Technologies	Manufacturing	185

Gonic Mill - The City of Rochester and the State of New Hampshire designated the Gonic Mill and surrounding area as an Economic Revitalization Zone in 2013, encouraging investments in CAPEX (capital expenditures) and personnel hiring and training in return for state tax credits.

- Studio 109, Spurwink School, Brickstones, Joseph Montroy, Ellis Dog Training, Nikki Knits Clothing, ScrapSafe.

Turnkey Recycling & Environmental Enterprise (TREE) Industrial Park - is a 1,216 acre, environmentally safe property owned by Waste Management. This industrial park also includes a 100 acre Forest Management Area, 1999 acre landfill, the Mount Isinglass Recreational Area, and a Material Recovery Facility. The TREE Facility generates methane gas, which is compressed and sent via pipeline to the UNH Campus in Durham for conversion into energy to support the campus.

Rochester has many other industrial users throughout the City that are not located in an existing park.

- Lydall Inc., Nantucket Beadboard, Lababidi Equipment, Collins Sports Center, Tut's Trophys, Boston Felt, Colby Footwear Inc., First Star Manufacturing, Jjarvis Cutting Tools, KJE Automotive, ROKON, Custom Banner, SimpleLife Recycling, Metrocast, LHR Sporting Arms.

Granite Ridge Development District – The Granite Ridge Development District is Rochester's newest and most desirable retail and commercial development area, with the potential to achieve more than 2 million square feet of interconnected development over the 20 year project horizon. Anchored by New Hampshire's largest Super Wal-Mart, more than 750,000 square feet of retail and hospitality has already opened for business. Site preparation work is nearly complete on an adjacent 90 acre parcel, with site plans for a 300,000 square foot entertainment and shopping center is moving through the Planning Board and review process. . The center anticipates 50 individual tenants and a construction cost of \$30 million. An estimated \$22 million in infrastructure will be contributed in public-private ventures to support the development through utilization of a Tax Increment Financing District and private development agreements. The City of Rochester and the State of New Hampshire designated the Granite Ridge Development District as an Economic Revitalization Zone in 2012, encouraging investments in CAPEX (capital expenditures) and personnel hiring and training in return for state tax credits.

Vacancy rates for downtown, commercial and industrial space in Rochester have decreased significantly. The downtown core business district showed significant improvements over the last 3 years, and through new business attraction and residential redevelopment saw a 37% reduction in vacancies. Industrial vacancies remain very low, and major industrial expansions have increased the occupied square footage leaving only 200,000 square feet of obsolete mill space under consideration for zoning changes. Other commercial/retail vacancy is down to 5% with the exception of Downtown. Office space occupancy has improved with the redevelopment of the former Cabletron campus, and the addition of Granite State College and the YMCA occupying newly remodeled space in multi-tenant Class A office buildings. A brand new Class A office building will be ready for occupancy in May 2014, the first new multi-tenant Class A space built since the recession, and it has tenant leases signed. These are being marketed aggressively as a cost-effective alternative to higher-price north-of-Boston or Southern New Hampshire locations.

4.3b Economic Development Department (continued...)

Key Economic Development Projects:

EDA Grant – Stonewall Kitchen, Market Basket
 Crossroads ERZ Zone, Gonic Mill, Downtown Rochester
 Granite Ridge Tax Increment Financing District Approval
 Regional Aerospace Coalition
 JOB Loan – The Publick House, LHR Sporting Arms & Thompson
 Investment Castings
 Gonic Industrial Park and Ten Rod Road Business Park signs
 Skyhaven Runway Expansion & Easement Modification
 HUB Zones – SBA
 Park & Ride – UNH Wildcat, COAST & PNSY Shuttle
 NHDOT Maintenance Facility
 Granite Ridge Marketplace, Waterstone Development
 Great Bay Community College Advanced Technology & Academic
 Center
 Safran Aerospace LEAP Facility Grand Opening, Innovation Drive
 completion
 Rochester Hill Road Water Tank repair
 Representative Carol Shea-Porter downtown office
 Rochester Farmer's Market expansion to Ben Franklin Parking Lot
 North Main Street CVS, Bank of New Hampshire, Cumberland Farms
 Taco Bell, Domino's Pizza, Little Caesar's Pizza
 Rochester Toyota Showroom
 Volkswagon Sales Lot Expansion
 Key Auto Collision Center
 Ambulatory Surgical Center
 Route 125 RV & Marine Sales Lot Expansion
 Highland Street Self Storage
 Joyful Garden Daycare
 International House of Pancakes
 Liu's Garden Restaurant
 Lilac City Grill – Relocation
 Tractor Supply
 NCS Global LEED Certified Silver
 120 Washington Street, Granite State Lab
 Family Dollar (2nd Location), O'Keefe & Martin Auction House
 Lydall "Mini-Mill" Expansion
 Papaya Thai – new owner
 TurboCam Training Center
 The Rubber Group expansion, Gonic



rendering of "The Ridge" on Route 11



Lydall - "Mini-Mill" expansion



NCS Global - LEED Certified Silver facility

4.3c Community Development

The mission of Community Development is to work with the community, public service agencies, and private sector partners to improve neighborhoods and assist lower and moderate income City residents to improve the quality of their lives. Community Development was headed by Community Development Specialist Elena Engle during the FY 2013-2014 period. The responsibilities of the Community Development Specialist included management of the Community Development Block Grant Program, grant writing, reporting for the City's TIF Districts, City funded public services and other grants received by the City, and other duties as assigned.

In January 2014, the Community Development Specialist began work on the City's 2015-2020 Consolidated Action Plan. This included review of Consolidated Action Plan Desktop Manual, discussions with Community Development officials in the City of Portsmouth and City of Dover regarding collaborations on the Consolidated Plan process during Winter 2014, and creation of a Consolidated Action Plan creation timeline. During the Spring 2014, the Community Development Specialist also created timelines, guides, and other documents to prepare her successor to resume community development work with minimal interruption.

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

The City of Rochester is one of the five designated entitlement communities in New Hampshire eligible to receive Community Development Block Grant (CDBG) funds from the Department of Housing and Urban Development (HUD). The funds are invested in housing, economic development, and public facilities projects, as well as public service agencies that provide services to Rochester residents whose income falls below 80% of the regional median income. In FY 2013-2014, the City received \$224,505.00 in new grant funds for investment in the community. This was the fourth year of the 2010-2015 Community Development Consolidated Plan.

Projects, activities, and requests for funding were assigned to one of the categories: Basic Needs, Safety Net, and Investment. These categories do not change or indicate a preference for the types of programs supported with CDBG funds. Rather, they provide a framework to summarize the presumed impact of a project when making community investment decisions.

Basic Needs Category

PUBLIC SERVICES

Crossroads House – Cross Roads House, located in Portsmouth, New Hampshire, provides emergency and transitional shelter to families and individuals in the Seacoast region experiencing homelessness. Crossroads received \$4,000 in CDBG Funding from the City of Rochester in FY 14-15 and served 32 Rochester residents.

Homeless Center for Strafford County – The Homeless Center for Strafford County (HCSC) is a six-month shelter facility that has been providing safe, secure shelter and case management to single women and families located in Strafford County during the winter months since 1998. The Homeless Center received 7,000 in CDBG Funding from the City of Rochester in FY 14-15 and served 39 Rochester residents.

My Friend's Place - My Friend's Place is an emergency shelter for homeless individuals and families, providing food, emergency transportation, case management, and referral to a variety of services being provided by other organizations or agencies. It has been in operation since 1989. My Friend's Place received \$6,000 in CDBG Funding from the City of Rochester in FY 14-15 and served 43 Rochester residents.

SHARE Fund - The SHARE Fund provides food, clothing, and financial assistance to Rochester residents in need, thereby reducing the burden on other publicly-funded services such as the Rochester Welfare Department. The SHARE Fund received \$5,000 in CDBG Funding from the City of Rochester in FY 14-15 and served 77 Rochester residents.

HOUSING

Strafford County Community Action (Weatherization Assistance Program) - Designed to help low and very-low income persons in Rochester reduce the cost of utilities through energy conservation methods, the Strafford County Community Action (CAP) Weatherization Assistance Program has served hundreds of very low-income Rochester residents over the years. The CAP Weatherization Assistance Program is designed to reduce household energy use and costs in the homes of low-moderate income persons, specifically those who are most vulnerable to high-energy costs with no means to afford improvements, by installing energy efficiency improvements. The CAP Weatherization Assistance Program received \$50,000 in CDBG Funding from the City of Rochester in FY 13-14 and served 16 Rochester households.

4.3c Community Development (continued...)

Safety Net Category

PUBLIC SERVICES

Tri-City Co-Op – Tri-City Co-Op provides non-medical services to those with mental illnesses or other mental health concerns. Tri-City Co-Op received \$1,905 in CDBG Funding from the City of Rochester in FY 14-15 and served 85 Rochester residents.

Investment Category

PUBLIC SERVICES

Dover Adult Learning Center - Dover Adult Learning Center (DALC) provides adult basic education in four different areas, including basic skill and literacy, high school or GED completion, vocational education, and community enrichment. Class offerings are flexible and can include childcare and comprehensive counseling services. DALC received \$4,885 in CDBG Funding from the City of Rochester in FY 13-14 and served 235 Rochester residents.

Project Pride – Project Pride is a comprehensive program that assists students (17-21) who have left traditional school with vocational and educational skills with the goal of completion of the GED, acquiring pre-employment skills, and work maturity skills such as filling out applications, interviewing, punctuality and demonstrating positive attitudes. Project Pride received \$4,885 in CDBG Funding from the City of Rochester in FY 13-14 and served 34 Rochester residents.

ECONOMIC DEVELOPMENT

JOB Revolving Loan Program – The Job Opportunity Benefit (JOB) Loan program provides a source of funding for businesses to expand, modernize, or relocate within Rochester. These funds are almost always used as “gap” financing for businesses to add additional debt to their conventional financing. Eligible applicants include Rochester businesses that commit to hiring two to six full-time (or full-time equivalent) workers who qualify as low/moderate income prior to employment. The City’s economic development capacity is enhanced by the infusion of CDBG funds with a total program income for FY 13-14 totaling \$92,412 that can be used towards future loans. In December 2013, a \$10,000 Job Opportunity Benefit (JOB) Loan application was approved for a new restaurant in the City’s downtown.

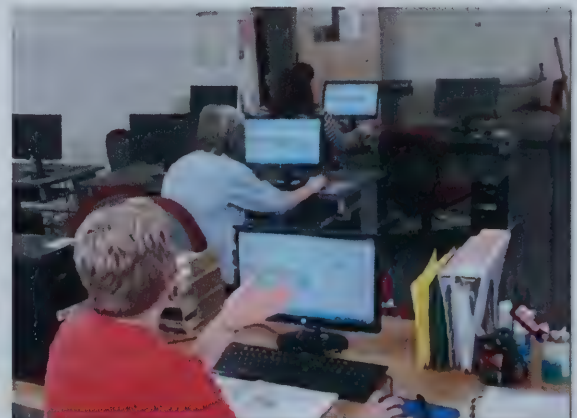
Small Business Development Center – The Small Business Development Center (SBDC) is a micro-enterprise assistance program promoting job creation through a process of education and counseling for local small business owners and those looking to start new enterprises. SBDC received \$12,000 in CDBG funding from the City of Rochester in FY 13-14 and served 3 Rochester residents.



Gonic School Playground ribbon cutting



Project PRIDE students beautifying downtown



Dover Adult Learning students

Public Facilities and Infrastructure

Code Enforcement for the Neighborhood Stabilization Project –

This project funds the legal costs associated with code enforcement within the boundaries of the neighborhood that received revitalization through Neighbor Stabilization Project funds. Out of the 38 homes identified as having code violations, 35 homes have had the code violations corrected using CDBG funds. This project was funded in the amount of \$10,000.

Gonic School Playground – This project funded the construction of playground equipment at Gonic School to replace old and outdated playground equipment. At the time of funding, Gonic School was located in a low to moderate income area, and the school playground serves the entire Gonic area. Playground construction was slated to begin Fall 2014. The project was funded in the amount of \$30,000.

Historical Society Building Improvements – The Rochester Historical Society is located on Hanson Street in the heart of downtown Rochester and serves the community through its stewardship of local treasures of historic significance and presents regular presentations to the public. The City had an Energy Efficiency Audit completed on the building, and several recommendations were made, including windows, insulation, and boiler upgrades. This project was for insulation in the building. The project was completed in January 2014 and was funded in the amount of \$18,000.

Rochester Community Center Gym Heater – The Rochester Community Center was constructed in the late 1970s and served as the City's high school in the early 1980s until the school moved to next door. The heating unit in the gymnasium, where a large number of community events are centered, was the original gas-fired unit from the late 1970s. The unit was severely deteriorated and rusted and had several leaks that were dripping onto the gymnasium floor. Upgrading this unit provided a more modern, energy efficient solution to improving conditions in the gymnasium. The Community Center is located in a low to moderate income area. The project was completed in and was funded in the amount of \$125,000.

Rochester Child Care Center Fence – This project replaced a severely deteriorated fence at the Rochester Child Care Center that posed a safety hazard. The Rochester Child Care Center provides daycare to Rochester residents, including many low to moderate income families. This project served 132 low to moderate income Rochester residents. The project was completed in October 2014 and funded in the amount of \$6,000.

OTHER GRANTS AND ACTIVITIES

Community Development was also involved in applying and managing other grants available to enhance opportunities within the City.

In October 2013, the first quarterly reporting for the Economic Development Administration (EDA) grant began, and the Community Development Specialist coordinated with Public Works and Finance to prepare these reports

In November 2013, the Community Development Specialist applied on behalf of the City for a Green Infrastructure Grant to fund a consulting firm to assist the City to review and make recommendations to the City's ordinances, standards, and regulations on stormwater management. This was Phase II of the grant; the City did not receive this grant in Phase I but applied during Phase II as recommended by the review board. The City was awarded this grant in January 2014.

In July 2014, the Community Development Specialist prepared the pre-proposal for a grant application for a Watershed Assistance grant (319 grant funds). This grant would fund water quality improvements and storm water abatement efforts in Willow Brook and its receiving waters, the Cocheco River.

Also in July 2014, the Community Development Specialist assisted in processing and considering a RSA 79-E application received from Studley's Flower Garden. RSA 79-E (Community Revitalization Tax Relief Incentive) is a legislative proposal that encourages investment in downtowns and village centers with a tax incentive modeled on existing NH statute (Barn Bill). Its goals are to encourage the rehabilitation and active use of under-utilized buildings and, in doing so, to promote strong local business and to promote smart, sustainable growth, as an alternative to sprawl.

4.3d Planning Department

OUR MISSION

The mission of the Planning and Development Department is to promote orderly growth in a manner sensitive to community values and to protect and enhance the environmental resources, economic vitality, and social capital of the City of Rochester.

Orderly growth. Through the application of carefully crafted regulations, ordinances and diligent stewardship, the Department works to facilitate growth, including development that creates value, is efficient in its use of infrastructure, and is sensitive to its surroundings.

Community values. The Department seeks to serve the wide range of stakeholder interests in Rochester and to understand community values through the use of surveys and other information-gathering techniques. Specific proposals are evaluated within the context of those values and the City's Master Plan.

Environmental resources. The Department carefully weighs costs and benefits in order to provide reasonable protection for our natural resources, including air, land (fields, forests, open space, and various habitats), and water (wetlands, aquifers, rivers, ponds, and flood plains), while encouraging responsible development.

Economic vitality. The Department especially embraces businesses which make a commitment to the community's vitality by providing well-paying jobs, adding to the value of the built environment, offering choices for consumers, and participating in Rochester's civic life.

Social capital. The Department works to preserve Rochester's distinctive identity and to advance quality of life by encouraging investment in social capital and facilitating the health, safety, education, and cultural expression of our citizens.

OUR APPROACH

The Planning Board, Historic District Commission, Conservation Commission, and staff reviewed a number of projects and they are listed below. The Planning Board and Historic District Commission approved most applications, with or without conditions, that came before them for review. Staff works hard with applicants to find an approach or design that serves the objectives of the applicant while also supporting the public interest and meeting legitimate concerns of abutters as well as other citizens of Rochester. Most applicants are willing and able to work with city staff, abutters, and concerned citizens in order to get the best project for everyone.

We continue to look for ways to improve the process and keep it as simple, quick, and as pleasant as possible. However, our obligation to protect the interests of the City and its residents remains constant.

The major responsibilities of the Planning and Development Department include:

- Policy development
- Drafting of ordinances and regulations
- Overseeing the zoning ordinance and any amendments to the Zoning ordinance
- Reviewing and processing applications for subdivisions and site plan review
- Holding proper surety on approved projects to insure that projects are built in accordance with City standards, the Notice of Decision, and the approved plan
- Strategic planning
- Master Planning
- Transportation planning
- Infrastructure planning
- Developing ordinances that allow for commercial & residential growth while providing for the protection of natural and cultural resources
- Coordinating the E911 addressing system
- Coordination of, and service to, land use boards: Planning Board, Conservation Commission, and Historic District Commission
- Coordination of, and service to, the Arts & Culture Commission

HIGHLIGHTS

Here are a few highlights of the more significant projects approved by the Planning Board:

Sensible Self Storage, LLC, 201 Highland Street (by Norway Plains Associates) Site plan application for a two phased project consisting of six(6) storage buildings in the first phase and five(5) storage buildings in the second phase.

17 Glenwood Avenue, LLC, 17 Glenwood Avenue (by Norway Plains Associates) Subdivision and site to plan construct 24 additional elderly housing units on the property once it is subdivided into two lots.

GTM Properties, Milton Road (by Berry Surveying and Engineering) Site Plan to construct an 8,000 sq ft Family Dollar.

Fairway Auto Sales, 72 Old Milton Road. Request for a modification to an approved site plan for new automobile sales and service facility. Property owner/applicant - Blanchette/Hurley Realty, LLC/Michael Hurley.

Textile Tapes Corporation, 104 Pickering Road (by Norway Plains Associates) Site plan and Conditional use applications for a 5,500 sq ft addition to the existing 21,073 sq ft manufacturing building.

Amazon Park, 105 Whitehouse Road (by Stephen Haight) Conditional use application to install a cross country water service to Amazon Park.

O'Keefe & Martins Retail Store, 29 Milton Road (by Farwell Engineering Services) Site plan and conditional use application to construct a retail store.

NH Department of Administrative Services, Spaulding Turnpike Connector (Exit 16) (by Stantec Consulting) Site plan application to construct a maintenance facility located near Exit 16 along the Spaulding Turnpike Connector.

Pease Development Authority, 238 & 290 Rochester Hill Road (by Jacobs Engineering Group, Inc.) Site plan to reconstruct existing runways, extend Runway 15, extend Taxiway A, and install runway approach lighting.

DEW Properties, LLC, 13 Health Care Drive, (by Norway Plains Associates) Site plan application to construct a 15,200+/- square foot Ambulatory Surgery Center facility.

10 Farmington Road, LLC, 10 Farmington Road (by MSC Civil Engineers & Land Surveyor, Inc.) Site plan to construct a 16,100 sq ft collision center with associated infrastructure.

Waterstone Retail, Inc., Farmington Road (by Tighe & Bond) Site plan to construct a 300,000 sq ft commercial space with associated site improvements including drainage, landscaping, utilities.

Planning Board Applications (13-14)

	Total	Approved	Denied	Total Lots	Withdrawn
Subdivisions	7	6	0	14	1
Lot Line Revisions	7	7	0	0	0
Site Plans	17	16	0	0	1
TOTAL	31	29	0	14	2

	Total	Allowed without further review	Sent to PB	Withdrawn
Minor Site Plan	9	8	0	1
Special Downtown	22	22	0	0
Day Care	1	0	1	0
Home Occupation	5	4	0	0
TOTAL	37	34	1	1

4.3c Planning Department (continued...)

Chapter 42 Amendments

The Director of Planning & Development and the Planning Board chair spent a great deal of time working with the Codes & Ordinance Committee and the City Council to have the Chapter 42 amendments adopted this year. This was a long and arduous journey that began well before I started working for the City but all the hard work and long hours paid off with the adoption of the amendments by the City Council. The following issues were discussed at great length by the Planning Board, the Codes & Ordinance Committee, and the City Council:

- New Zoning Map
- Definitions
- New and improved base Zoning Districts
- Special Zoning Districts
- A new Table of Uses
- A new Table of Dimensional Requirements
- Density in the various Zoning Districts
- Multi-Family Housing
- Other Miscellaneous amendments, additions, and deletions

Master Plans

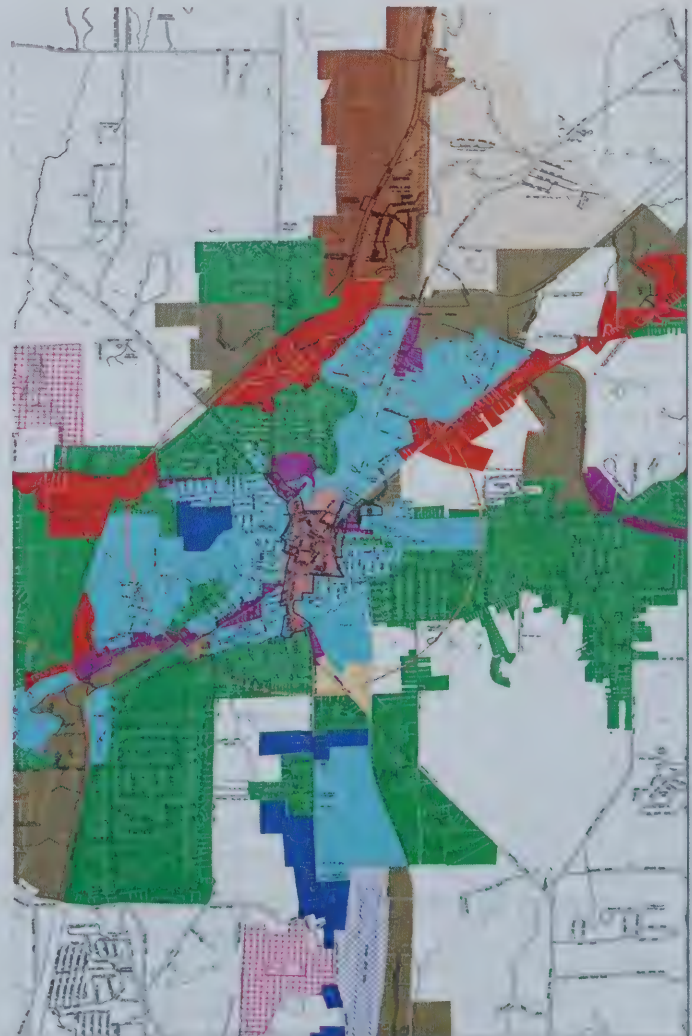
To date, the City has seven adopted master plan chapters:

- 1) Land Use, adopted 2001
- 2) Transportation, adopted 2001
- 3) Downtown, adopted 2003
- 4) Economic Development, adopted 2006
- 5) Natural Resources, adopted 2009
- 6) Cultural Resources, adopted 2010
- 7) Recreation, adopted 2011

Possible additional chapters that might be pursued in the future include:

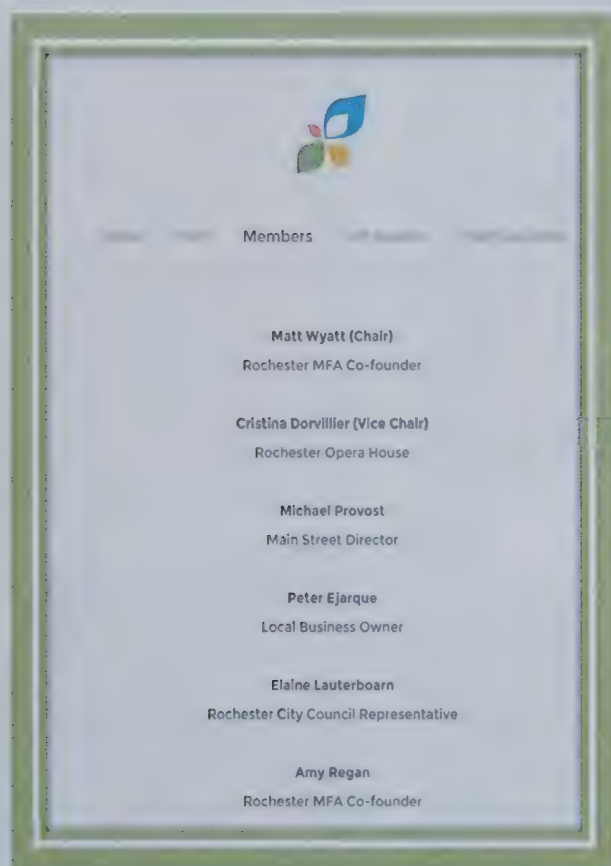
- Energy and sustainability
- Public facilities
- Natural Hazards
- Utilities and public services
- Regional concerns
- Community design
- Housing and community development
- Strategic planning

The first three chapters listed above - Land Use, Transportation, and Downtown - are the chapters that the Planning Board will be reviewing and amending first. There are funds in the CIP to help facilitate the completion of these chapters. The Land Use chapter will be reviewed to see what has been completed, what is underway, and what still needs to be done. In addition, now that a majority of the Spaulding Turnpike/Route 16 improvements are complete and we have updated traffic count data, we should be able to begin updating the Transportation chapter. We will also review the Downtown chapter to see what has been completed, what is currently underway, and what still needs to be done. There is a lot of work that needs to be done and we are looking forward to doing that work.



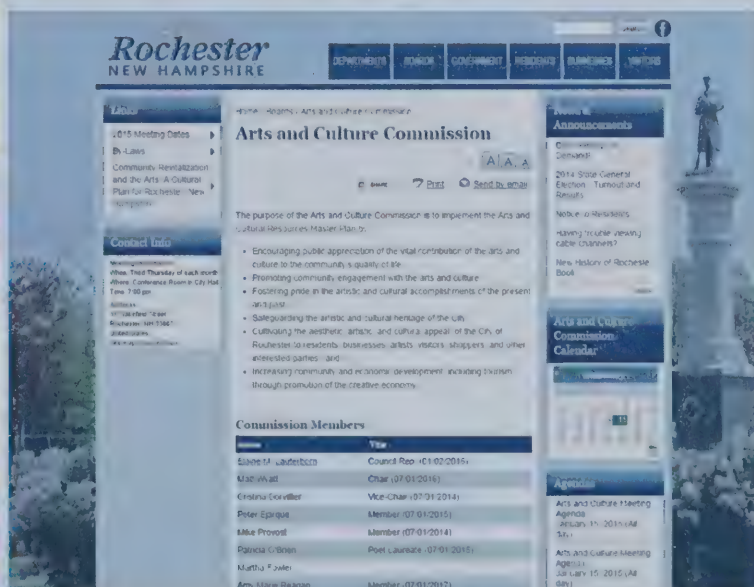
Arts and Culture Commission

The Rochester Arts and Culture Commission elected new members Amy Regan one of the Co-founders of the Rochester Museum of Fine Arts and City Councilor Elaine Lauterborn to the Commission both are very active members of the Rochester Community. Rochester Main Street Director, Mike Provost will also be serving another term on the Commission. Matt Wyatt Co-founder of the Rochester MFA continued to chair the Commission. Cristina Dorvillier stepped up as Vice Chair of the Commission. The Commission worked with the Community Development to find creative ways to use Community Development Block grant funds for bike racks that will serve as public art displays.



Website

The Arts and Culture Commission also continued to update the website, City of Rochester Commission for Arts and Culture. The website includes: about us, visit Rochester, art walk, arts and culture database, Achievement in the Arts Award, and facebook page. Arts and Culture Inventory – The Commission started a database inventorying all of the wonderful things Rochester has. It would be very helpful for citizens to find out information and for the Commission to use as well. The City of Rochester also updated the website page of the Commission.



4.3c Planning Department (continued...)

Achievement in the Arts

Members of the Rochester Arts & Culture Commission hosted over 70 nominees and guests at a reception at The Garage on August 12. They presented the first annual Achievement in the Arts Awards celebrating the accomplishments of Rochester artists and arts organizations. Nominees were recognized in the literary, artisan, movement, theater, visual arts, dining, music and lifetime achievement categories. The ceremonies started with a proclamation by Mayor TJ Jean read by Deputy Mayor Raymond Varney declaring Monday, August 12 Arts & Culture Day in Rochester. The Commission also started preparing for the second annual Achievement in the Arts in January 2014. The Commission sent out a survey monkey to residents of Rochester and the region for voting.



Achievement in the Arts nominees



Historic District Commission

The Historic District Commission reviewed 22 applications from July 2013 until June 2014. The amount of projects going to the Historic District Commission doubled from the previous year. Some of the larger projects included Studley's renovation of the front entrance, Revolution Tap and Grill façade improvements, and Cumberland Farms parking expansion project. (see table below.)



Studley's New Front Entrance approved by the Historic District in June 2014.

Historic District Commission Application for Certificate of Approval for FY13-14

Applicant	Business	Address	Proposed Activity
Peter Adams		43 North Main Street	Awning in front of building
Anthony Ejarque	Publick House	45 North Main Street	Projecting sign
Sarah Knowlton	Bella Fresca	44 North Main Street	Painting façade of business
Janice Melanson	JM House and Home Realty	19 Hanson Street	Projecting sign for JM House and Home Realty
Mike Provost		Riverwalk Banner	Rochester Riverwalk Banners
Molly Meulenbroek	Studley's Flower Gardens	82 Wakefield Street	Rebuilding of main entrance
Newton Kershaw	Elm Grove Properties	6 North Main Street	Painting façade of apartment complex
Pinkham Bousari	Papaya Thai	101 North Main Street	New freestanding sign
	Cumberland Farms	1 Knight Street & 99 South Main Street	Demolish existing building and expand parking lot
Peter Ejarque	Scenic Theater	12 North Main Street	New wall sign and gooseneck lighting
			Reface existing pylon, update existing logos with new branding, new signs, replace existing vinyl siding with white paint exterior trim, and add awnings
	Friendly's Ice Cream	77 South Main Street	
	Grace Community Church	57 Wakefield Street	New freestanding sign
Kristin Ebbeson	Roverstone Custom Framing	33 North Main Street	New projecting sign
			Modifications to the façade, new lighting, wall sign, banner sign, projecting sign, and chimney sign, and addition of awning
Stacey Marchionni	Revolution Taproom & Grill	48 North Main Street	
Bob McGuire	Horizon Trust	5 & 7 Dreyer Way	New two story office building
Spooky Graves	At Peace Body Art	64 Hanson Street	Wall sign and paint
Pinkham Bousari	Papaya Thai	101 North Main Street	freestanding sign
Peter Chanda	Chef's Kitchen	19 Hanson Street	Wall sign and lighting
Molly Meulenbroek	Studley's Flower Gardens	77 Wakefield Street	New Roof and removal of 2 chimneys
	Metro PCS	1 Wakefield Street	New Wall sign and exterior lighting
Peter Ejarque	Scenic Theater	12 North Main Street	Wall sign to hang below approved wall sign
Sheri McSheehy	Laurel Mae's Cottage	107 North Main Street	New projecting sign

The Historic District Commission added new member Rick Healey from the Planning Board to the Commission. The Commission members also worked on a submittal checklist for applications to use. The online GIS incorporated the Historic District boundaries in the current zoning layer. The Historic District Commission officially became a Certified Local Government administrated by the New Hampshire State Preservation Office and National Park Service. The city has made a local commitment to historic preservation. This opens the doors for the city to apply for funding, technical assistance, and other preservation successes. For more information please visit the National Park Service website. The Commission also joined the New Hampshire Preservation Alliance.

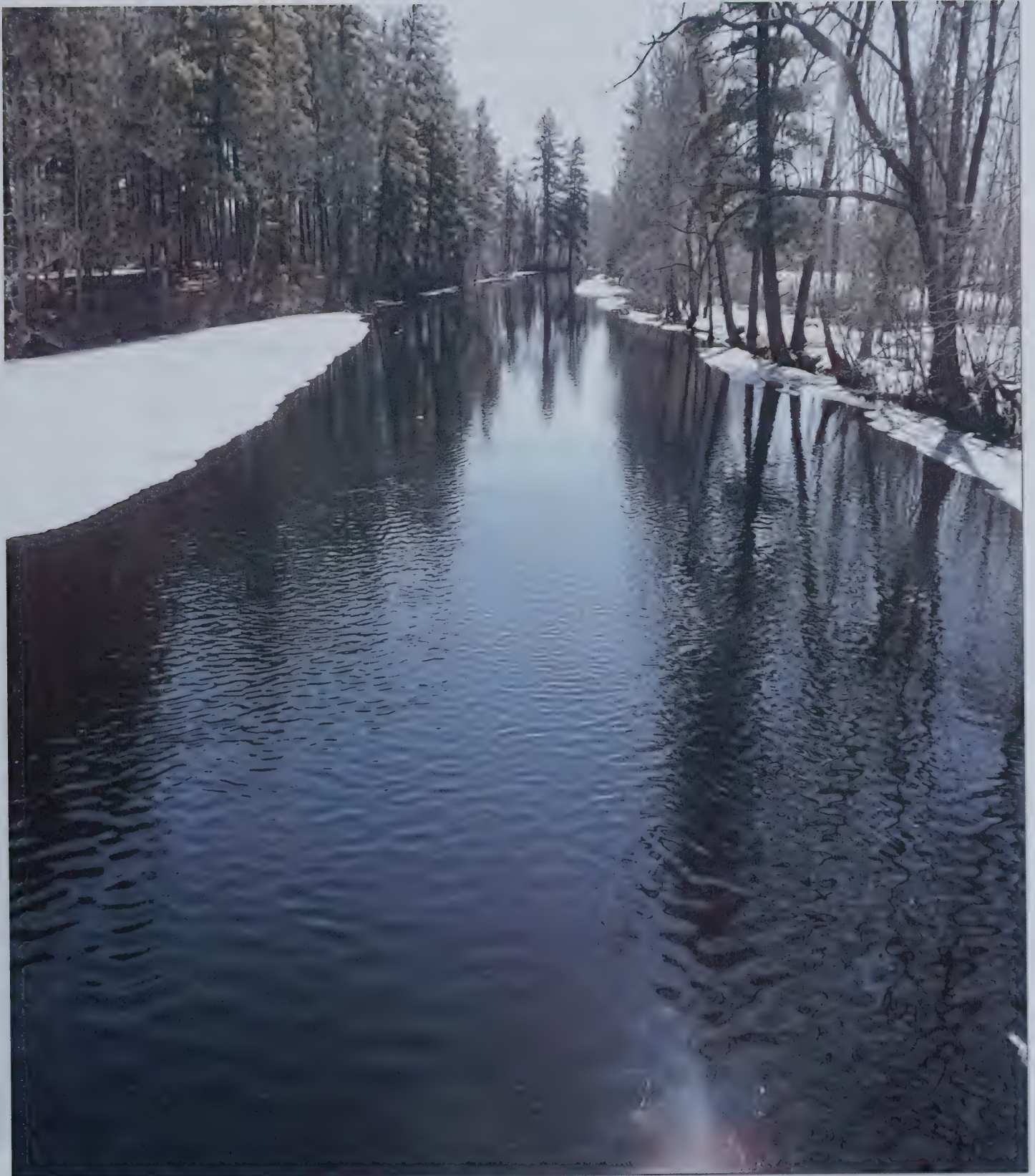
4.3c Planning Department (continued...)



The Rochester Conservation Commission has been very active from July 2013 to June 2014. The range of projects and efforts that this group of volunteers has worked on throughout the year has varied greatly, and has included:

- Commission members attended natural resource based workshops.
- Commissioners performed site walks to investigate wetland violations and review Planning Board, Zoning Board, and NH Dept of Environmental Services proposals.
- Several dozen NH DES Alteration of Terrain, Intent to Cut, NH DES Wetland, NH DOT, etc...correspondences were reviewed. Several required follow up action by the Commission.
- The Commission formed a new partnership with South East Land Trust (a not-for-profit organization devoted to preserving land)
- The Commission reached agreements with and began the process of obtaining two separate conservation easements, which will result in the permanent protection of an 190 +/- acres of working farm land in the City of Rochester.
- Approximately four other properties have been considered for conservation easements. The extensive review processes, including meeting with the landowner(s), completing Land Acquisition Criteria Evaluations (LACE), considering funding options, etc...have been discussed for each property.
- A Request for Qualifications was created and posted by the Commission. The Commission then reviewed the pool of qualified applicants and awarded the most well rounded applicant, Truslow Resource Consulting, LLC. The consultant chosen will be used on an "on call" basis to assist the Conservation Commission with any aspect of land acquisition, as related to the conservation easements.
- The Commission continued work with consultant Kane Conservation to audit all conservation easements that the City of Rochester has rights to, as well as to create very detailed online inventory of these conservation lands.

James B. Campbell,
Director of Planning & Development



4.4 Finance Department

The fiscal year ending June 30th of 2014 indicates the City's financial position continues to be strong. Conservative revenue forecasts coupled with close monitoring of expenditures in the General Fund, as well as the enterprise funds, has resulted in continued fiscal stability. The data and analysis of the City of Rochester's financial performance below provides an overview of the City's financial activities for the fiscal year ended June 30, 2014.

A. FINANCIAL HIGHLIGHTS

- As of the close of the current fiscal year, the total of assets exceeded liabilities by \$131,277,845 (i.e., net position), a change of \$5,185,965 in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$5,802,425, a change of \$(5,149,909) in comparison to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$12,623,318, a change of \$(679,967) in comparison to the prior year.
- Bonds payable at the close of the current fiscal year was \$63,977,044, a change of \$(6,538,342) in comparison to the prior year.

B. GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of condensed government-wide financial data for the current fiscal year.

<u>NET POSITION</u>	<u>Governmental Activities 2014</u>	<u>Business-Type Activities 2014</u>	<u>Total 2014</u>
Current and other assets	\$ 38,611,089	\$ 5,835,931	\$ 44,447,020
Capital assets	108,246,702	81,967,022	190,213,724
Deferred outflows	<u>270,463</u>	<u>-</u>	<u>270,463</u>
Total assets and deferred outflows of resources	147,128,254	87,802,953	234,931,207
Current liabilities	12,538,732	4,086,167	16,624,899
Noncurrent liabilities	37,151,087	26,746,068	63,897,155
Deferred inflows	<u>22,799,666</u>	<u>331,642</u>	<u>23,131,308</u>
Total liabilities and deferred inflows of resources	72,489,485	31,163,877	103,653,362
Net position:			
Net investment in capital assets	63,457,651	46,946,106	110,403,757
Restricted	1,124,492	-	1,124,492
Unrestricted	<u>10,056,626</u>	<u>9,692,970</u>	<u>19,749,596</u>
Total net position	<u>\$ 74,638,769</u>	<u>\$ 56,639,076</u>	<u>\$ 131,277,845</u>



CHANGES IN NET POSITION	Governmental Activities 2014	Business-Type Activities 2014	Total 2014
Revenues:			
Program revenues:			
Charges for services	\$ 4,188,794	\$ 8,027,541	\$ 12,216,335
Operating grants and contributions	34,534,764	10,000	34,544,764
Capital grants and contributions	744,631	2,314,601	3,059,232
General revenues:			
Property taxes	43,601,694	-	43,601,694
Licenses and permits	4,303,086	117,926	4,421,012
Penalties and interest on taxes	1,368,044	19,045	1,387,089
Grants and contributions not restricted to specific programs	1,850,836	-	1,850,836
Investment income	77,623	5,500	83,123
Other	3,090,456	322,659	3,413,115
Total revenues	93,759,928	10,817,272	104,577,200
Expenses:			
General government	4,859,412	-	4,859,412
Public safety	12,636,283	-	12,636,283
Highway and streets	6,098,696	-	6,098,696
Education	62,643,154	-	62,643,154
Health and welfare	379,774	-	379,774
Culture and recreation	1,818,822	-	1,818,822
Community development	429,756	-	429,756
Community services	706,519	-	706,519
Conservation	11,942	-	11,942
Interest on long-term debt	1,796,177	-	1,796,177
Water	-	3,659,247	3,659,247
Sewer	-	3,916,358	3,916,358
Nonmajor enterprise	-	435,095	435,095
Total expenses	<u>91,380,535</u>	<u>8,010,700</u>	<u>99,391,235</u>
Change in net position before transfers	2,379,393	2,806,572	5,185,965
Transfers in (out)	<u>(579,148)</u>	<u>579,148</u>	<u>-</u>
Change in net position	1,800,245	3,385,720	5,185,965
Net position - beginning of year (as restated)	<u>72,838,524</u>	<u>53,253,356</u>	<u>126,091,880</u>
Net position - end of year	\$ 74,638,769	\$ 56,639,076	\$ 131,277,845



4.4 Finance Department (continued...)

Net position may serve over time as a useful indicator of the City's financial position. At the close of the most recent fiscal year, total net position was \$131,277,845, a change of \$5,185,965 from the prior year.

The largest portion of net position \$110,403,757 reflects our investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens.

An additional portion of net position \$1,124,492 represents resources that are subject to external restrictions on how they may be used. In theory, the remaining balance of unrestricted net position \$19,749,596, may be used to meet the City's ongoing obligations to citizens and creditors.

Governmental activities. Governmental activities for the year resulted in a change in net position of \$1,800,245. Key elements of this change are as follows:

General fund operations, as discussed further in Section D	\$ (1,712,210)
Capital projects fund activity on accrual basis	3,185,051
Nonmajor fund activity	63,996
Depreciation, which is not budgeted or funded, over principal maturities, a budgeted expense	(1,357,116)
Other	1,620,524
Total	\$ 1,800,245

Business-type activities. Business-type activities for the year resulted in a change in net position of \$3,385,720. Key elements of this change are as follows:

Water operations	\$ 166,923
Sewer operations	3,250,578
Nonmajor enterprise operations	(31,781)
Total	\$ 3,385,720

C. FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental funds. As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$5,802,425, a change of \$(5,149,909) in comparison to the prior year. Key elements of this change are as follows:

General fund operations	\$ (1,712,210)
Capital projects fund activity	(3,501,695)
Nonmajor fund activity	63,996
Total	\$ (5,149,909)

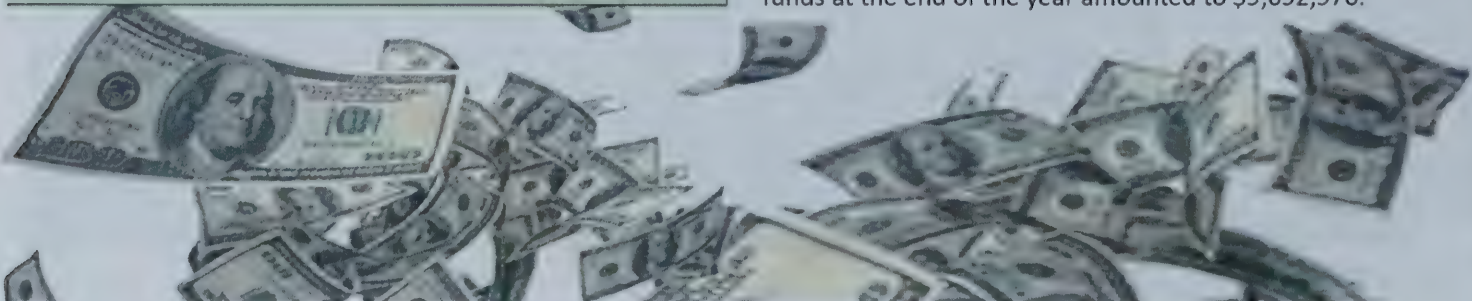
The general fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$12,623,318, while total fund balance was \$13,242,936. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Refer to the table below.

	General Fund	6/30/14	6/30/13	Change	% of Total General Fund
Unassigned fund balance		\$ 12,623,318	\$ 13,303,285	\$ (679,967)	15.3%
Total fund balance		\$ 13,242,936	\$ 14,955,146	\$ (1,712,210)	16.1%

The total fund balance of the general fund changed by \$(1,712,210) during the current fiscal year. Key factors in this change are as follows:

Revenues in excess of budget	\$ 991,389
Expenditures less than budget	841,586
Use of fund balance as a funding source	(3,508,970)
Other timing issues	(36,215)
Total	\$ (1,712,210)

Proprietary funds. Unrestricted net position of the enterprise funds at the end of the year amounted to \$9,692,970.



D. GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget resulted in an overall change in appropriation of \$3,821,506. Major reasons for these amendments include:

- \$583,018 – City resolution to use unassigned fund balance to transfer monies to the sewer capital projects.
- \$100,385 – City received LGC insurance refunds. Proceeds were used to reimburse certain school department employees.
- \$1,210,684 – City resolution to use unassigned fund balance to transfer monies to the capital projects fund for school security and safety improvements.
- \$700,000 – City received LGC insurance refunds. Proceeds were used for special education tuition costs.
- \$270,000 – City resolution to use unanticipated revenues from Medicaid and tuition reimbursements to pay unanticipated tuition costs for special education services.

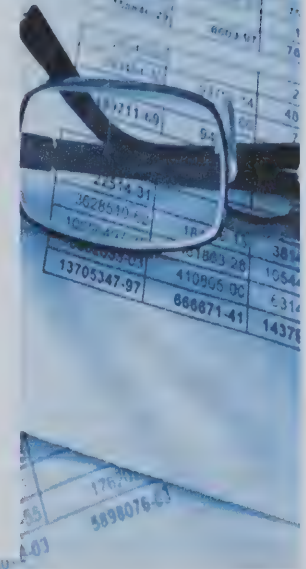


Major capital asset events during the current fiscal year included the following:

Governmental Activities:

Conversion of Construction in Progress to Depreciable Asset:

Granite State Business Park	\$ 3,976,682
Pavement Rehab program	\$ 836,947
Drainage Improvement	\$ 800,000
Pine St Reconstruction	\$ 620,538



Business-type Activities:

Conversion of Construction in Progress to Depreciable Asset:

Groundwater	\$ 3,097,029
Alum Sludge Management	\$ 923,459
Washington Street	\$ 1,983,216
Rochester Hill Water Tower	\$ 591,650
Spaulding TP Utility Relocation	\$ 441,867
Granite State Business Park	\$ 429,794

REQUESTS FOR INFORMATION

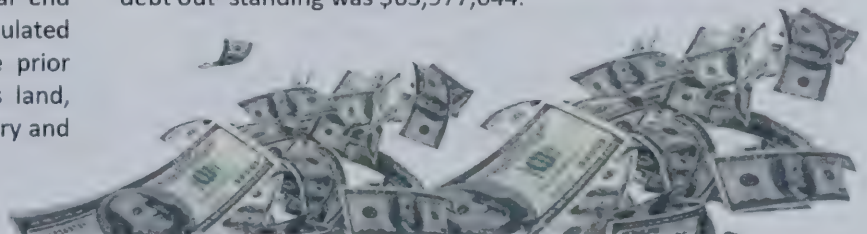
This financial report is designed to provide a general overview of the City of Rochester's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

City Finance Office
City of Rochester
31 Wakefield Street
Rochester, New Hampshire 03867

E. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Total investment in capital assets for governmental and business-type activities at year end amounted to \$190,213,724 (net of accumulated depreciation), a change of \$2,077,846 from the prior year. This investment in capital assets includes land, buildings and system improvements, and machinery and ipment.

Long-term debt. At the end of the current fiscal year, total bonded debt out-standing was \$63,977,044.



4.5 Fire Department

MOTTO

Serving the Lilac City with Pride.

MISSION STATEMENT

The primary mission of the Rochester Fire Department is to provide a range of programs designed to protect and maintain the quality of life within the City of Rochester through Fire Prevention, Fire Suppression and Rescue activities.



Photo supplied by Paul Dolnier

ORGANIZATION

The City of Rochester Fire Department is a 62-member "combination" organization providing fire, rescue, and public assistance to the Rochester, East Rochester and Gonic sections of this community. The department serves a community with an estimated population of 32,000 residents in a 49.2 square mile area from two fire stations which are covered 24/7.

The Chief of the Fire Department reports to the Rochester City Manager under the City Manager form of government.

It is my pleasure to present the Rochester Fire Department annual report for 2012-2013. I would like to thank all of our dedicated firefighters, all of our accomplishments are made possible by the efforts of these Firefighters and Fire Officers.

Our department continues to accept the challenges presented by the demands for service. Rochester Firefighters responded to over 2300 incidents in this fiscal year. The numbers represent when one of our citizen's or visitors experience an unexpected or unfortunate event that led them to call for our assistance. Our firefighters continue to provide not only the professional response needed to take care of the emergency, but also show compassion to support the person and families involved in these emergencies.



This fiscal year 2014 the Fire Department responded to 2,376 calls for service. This is an increase over fiscal year 2013 which had 2,316 calls. The majority of our calls continue to be medically related with 892 calls this last fiscal year which is a decrease over FY 2013 with 1,047 calls.

In fiscal year 2013 we responded to 112 fires, 21 of which were building fires with 14 of those requiring a first alarm assignment or more to be struck. In FY 14 we responded to 123 fires, 41 of which were building fires with 10 that were working fires requiring a first alarm assignment or more. In FY 13 there were 14 working fires of 1 alarm or more, so there has been a reduction in working structure fires this year from 14 to 10. Although our structure fires are down

and ready when they do occur with more staffing to handle these calls and the increase in calls overall.

As stated last year, the increasing demand requires us to continue examining staffing increases and a third station. The City continues to grow, and with that, inevitably, more requests for emergency services. Our personnel are required to respond immediately to emergencies without delay. As our incidents increase, so do our calls for simultaneous services at different locations at the same time. These occurrences continue to increase and split our resources making us less effective and slower to respond.

The following table outlines some of the specific data regarding the last two years of activity.

	FY13	FY14	Percentage
Total Runs	2316	2376	+2.6%
Fires	112	123	+9.8%
Working Fires	14	10	-28.6%
Medical Calls	664	593	-10.7%
Motor Vehicle Accidents	370	289	-21.9%

The future brings many growth opportunities for the Fire Department. As the City of Rochester expands, the department must expand to meet the continually changing needs. The future brings the expansion of service delivery with the goals of adding a well needed third station.

The department will look to develop our firefighters with progressive mentoring programs and community involvement. At the same time, we continue to develop our operating standards, experience and equipment. As we grow within the community, I see unlimited potential in many areas.

Our firefighters continue to be the main reason for maintaining our current level of success and level of service we provide to our citizens.

The firefighters continue to work tirelessly to protect life and property with the City of Rochester.

In addition to their on-duty response, our firefighters commit to countless hours in continuing education and training targeted to maintain and improve upon their emergency skills.

With the support of the Mayor, City Council, our City Manager and his staff, as well as all other City Departments and supporting governmental agencies, we continue to be an exemplary organization that prides itself on being proactive, efficient and exceptionally effective in our delivery of services.

I want to thank everyone who helped make 2014 a safe and successful year.

EMERGENCY MANAGEMENT

The Rochester Fire Department is charged with running the City's Office of Emergency Management. This responsibility entails the preparation, planning, response and recovery to natural and manmade disasters in the City. Additionally the Fire Department participates in several NH Department of Homeland Security and Emergency Management initiatives.

EMERGENCY MEDICAL

Rochester Firefighters are trained and certified in Emergency Medical Response, most as emergency medical technicians (EMT's) and respond as medical first responders to emergency medical incidents that occur within the City.

With two fully staffed fire stations strategically located, often times firefighters are closer than an ambulance to a medical call, allowing firefighters to reach the scene of such a medical emergency more rapidly to initiate medical care. Frisbie Hospital provides paramedic level ambulance service to the City of Rochester and we continue to assist as needed.

TRAINING

FULLTIME FIREFIGHTERS

During this fiscal year the department was able to send almost 100% of our fulltime firefighters to specialized training at the New Hampshire Fire Academy. This training was provided through federal grant money that covered all costs associated with each course. Incident Command Classes such as ICS (Incident Command System), ICS 300 and ICS 400 were taken to help improve our fire ground operations. Numerous technical rescue classes were taken which will improve our response to situations requiring specialized training and equipment. Examples of these would be high and low angle rope rescue, swift water rescue, trench rescue and confine space rescue. As each member completed an advanced training course they would return to the department and instruct other shift members on the new tools and techniques particular to the Rescue course completed. In order to remain proficient in the new techniques learned in the advanced training the department also spent approximately 3000 in house training hours on the different topics. Along with fire ground related training full time firefighters also receive 48 hours of specific medical training per year, in order to maintain their National Registry Certifications.

CALL FIREFIGHTERS

Call firefighter training consist of one training session per month. Each month the firefighters are trained in a topic related to their duties on the fire scene. These training sessions last from 3 to 5 hours depending on the topic. Topics include ICS (Incident Command System), Master Stream Operations, SCBA (Self Contained Breathing Apparatus), Haz Mat and Search and Rescue just to name a few. This fiscal year 2 members attended outside training and became Certified Level II firefighters. The department does allow our call firefighters to use department issued gear and equipment to attend outside training. In some cases the department will assist with costs associated with the class when the budget allows.

4.5 Fire Department (continued...)



Photo supplied by Paul Dolnier

FIRE PREVENTION

The Fire Prevention Office is responsible for helping promote fire safety within the City of Rochester. We strive to remain current on all codes, including continual training and researching more efficient ways to keep citizens safe.

Our inspection and plans review programs offer expert review and quick turn-around time. We provide a certified plans review for each commercial building permit issued within the city, as well as reviewing the hundreds of Fire Alarm, Fire Sprinkler, and Fire Suppression system plans annually.

Arson investigation has been improved with new training. We utilize advanced scene examination techniques, partnering with the ISB, (Investigative Services Bureau) division of the Rochester Police Department to help bring arsonists to trial. Within the last year, we have had a number of arson cases, and with the teamwork of both departments, we were able to bring perpetrators to justice.

With the growth in the business and commercial sectors of the city's economy, the Fire Prevention Bureau continues to experience increased responsibilities to insure life safety for employees and customers associated with these enterprises. Fire Prevention also worked intensively with the vendors who come to the Rochester Fair Ground to bring them up to code with their cooking facilities. Following the Fair, as school gets underway, the Fire Department starts its annual fire inspections at all schools within Rochester. Much improvement is being seen in improving the safety of the schools. Several large construction projects are underway at some of the schools, and with the help of the professionals in facilities, we have been able to accomplish much.

Finally, the Fire Prevention Bureau continues to conduct many training and public education events to a variety of groups in Rochester, including elderly citizens, school children, civic groups and businesses.

HEALTH AND SAFETY

*Health and Safety Council of Strafford County
Public Health and Emergency Preparedness
Annual Report Summary For Rochester City Report
Reporting Period: July 1, 2013- June 30, 2014
Submitted by: Tory Jennison RN, MS Executive Director*

The Health and Safety Council of Strafford County (HSCSC/the Council) celebrated its 11th year in 2014, marking 11 years of partnership with the City of Rochester. Fire Chief Norm Sanborn continued in his role as Secretary on the HSCSC Board of Directors. As Rochester's Emergency Management Director (EMD), Chief Sanborn also served as the municipal sponsor for the Strafford County Citizen Corps, a regional team of trained emergency volunteers.

2014 was a time of transition for the Health & Safety Council of Strafford County. Primary responsibility for regional public health preparedness transitioned to a different agency under a NH Department of Public Health Services funding reorganization. The Council's Board seized the opportunity to restructure and pursue new partnerships to support Strafford County wellness and resilience. Reorganization included relocation to office space generously provided by the Strafford County Commissioners at the Strafford County Courthouse in Dover and the reassignment of fiscal agent responsibilities for two programs to other area partners.

The HSCSC continued to coordinate recruitment, training and response activity for Strafford County Citizen Corps (SCCC) volunteers and promote personal and business emergency preparedness for county citizens. The Council emphasized distribution of winter and extreme weather updates from the NH Incident Operations Center and the National Weather Service for members and the general public via social media throughout the year to increase operational awareness and encourage personal safety.

A Community Emergency Response Team (CERT) training graduated 13 participants in February with 7 of those applying for Citizen Corps team membership. More than 10 Strafford County employees committed to attend the next Community Emergency Response Team training that was rescheduled from Fall 2014 to Spring 2015. In addition, the Council offered Strafford County citizens a number of learning opportunities across the region:

- Delivered Business Continuity of Operation training to a local small business consortium and to the Strafford County government's Safety Committee.
- Provided Family Preparedness Training provided to a homeschooling group and promoted at Chamber of Commerce events in Strafford County.
- Participated in an Emergency Preparedness Workshop hosted by the Institute on Developmental Disability for the Strafford County Area Agency on Aging, Chronic Disease & Disability in Rochester.
- Responded to a request for education on classroom mental health emergencies by supporting development and delivery of a training on classroom behavioral health and anxiety for local school professionals.
- Sponsored a Dartmouth Institute of Public Health training on Social Inclusion for parents, coaches and teachers in a northern Strafford County community.
- Created and delivered an Infectious Disease & Ebola training to 3 local Community Health Center sites.

Citizen Corps team members also participated in trainings throughout the year including CPR, First Aid, Advanced Triage and First Aid, Low Flow Oxygen at Alternate Care Sites, Strategic National Stockpile Management, Staffing at a Mass Casualty Family Assistance Center, and Shelter Fundamentals. Council staff pursued professional development in CPR instruction, Advanced Continuity of Operations Planning, Incident Command for Expanding Incidents, Multi-Hazard Planning for Schools, Gun Violence Prevention, Public Information Officer training and municipal Health & Safety Coordinator preparation.

SCCC volunteers were activated to standby or respond for a number of events and exercises in 2014. Events included support of an emergency shelter during a local law enforcement action with anticipated citizen evacuation, support of a Rochester shelter during winter weather over the Thanksgiving holiday weekend, traffic control support for the Rochester Holiday parade, staff

support for the Greenland Chief Maloney 5k run, equipment support for a Strafford County/UNH Cooperative Extension 5k road race in Rochester, and equipment and staffing support for the Rochester School District Families in Transition program at Rochester Night Out.

SCCC volunteers provided registration, triage, and dispensing support to the Capital Area MRC during ServPro, an immunization event to vaccinate Concord National Guard. SCCC members supported school based influenza clinics for the Capital Area Public Health Network. Citizen Corps members also participated in Seacoast Response 2014, a triennial full-scale FAA air emergency exercise held at Pease International Airport and provided evaluator services to support Frisbie Hospital during the hospital's participation in that exercise. Finally, the Citizen Corps participated in development, execution and evaluation of the Windy City all-hazard exercise with the Rochester School District and Rochester municipal EMS partners.

Council staff collaborated with a number of community partners in 2014 by representing the Citizen Corps at regular meetings of the Alliance for Community Transportation, Strafford County Emergency Planning Team, Regional Sheltering Team, Strafford County/UNH Cooperative Extension Advisory Council, and Rochester Youth Reach.

The success of the SCCC and sustainability of the Council are due in large part to the commitment and generous in-kind support provided by the City of Rochester, Rochester Fire and Police Departments, and Rochester School District. Support included facilitation of meeting space and guest instructors for team trainings, expert consultation on local and regional preparedness and response plans, participation in community and regional conversation around preparedness priorities and an ongoing commitment to service excellence that infuses the Council's work.

Respectfully submitted,

Norman Sanborn, Jr.
Chief of Department

4.5 Fire Department (continued...)

FIRE DEPARTMENT RESPONSE ACTIVITY EMERGENCY RESPONSE CALLS FY '14

Fire, other	6	Service call	143
Building Fire	21	Lockout	123
Cooking fire, confined to container	10	Water problem	6
Chimney fire	12	Water evacuation	1
Fuel burner/boiler malfunction	6	Water or steam leak	16
Trash or rubbish fire	2	Animal rescue	4
Fire in mobile home	4	Public service assistance	13
Passenger vehicle fire	11	Assist police or other governmental agency	28
Brush fire	34	Assist invalid	6
Outside rubbish fire	3	Unauthorized burning	43
Outside rubbish, trash or waste fire	4	Cover assignment	48
Special outside fire	6	Good intent calls	144
Medical assist, assist EMS crew	533	No incident found on arrival at dispatch address	19
EMS call, excluding vehicle accident with injury	60	Authorized controlled burning	4
Vehicle accident with injuries	116	Smoke scare, odor of smoke	35
Motor vehicle/pedestrian accident	14	EMS call, party transported by non-fire agency	34
Motor vehicle accident with no injuries	159	Hazmat Investigation w/no hazmat	1
Lock-in	1	False alarm or false call	2
Extrication of victim from vehicle	1	Malicious, mischievous false call	1
Removal of victim(s) from stalled elevator	4	Municipal alarm system, malicious false alarm	2
Hazardous condition	4	System malfunction	3
Gasoline or other flammable liquid spill	16	Sprinkler activation-no fire-malfunction	8
Gas leak (natural gas or LPG)	23	Smoke detector activation due to malfunction	21
Chemical spill, leak, hazard, oil spill	1	Alarm system sounded due to malfunction	104
Carbon monoxide incident	18	CO detector activation due to malfunction	25
Electrical wiring/equipment problem	13	Smoke detector activation, no fire-unintentional	10
Power line down	48	Alarm system sounded, no fire, unintentional	130
Arching, shorted electrical equipment	13	Carbon monoxide detector activation, no CO	20
Vehicle accident, general cleanup	80	Citizen Complaint	9





Smoke or odor removal	1
Explosion (no fire)	1
Camper or recreational vehicle fire	2
Overheated motor	1
Building weakened	2
High angle rescue	1
Dispatched & cancelled en route	118
Off-road vehicle fire	1
Air or gas rupture of pressure	1
Trapped by power lines	1
Oil or other combustible liquid spill	4
Attempt to burn	1
Police matter	1
Extinguishing system activation	2
Lightning strike (no fire)	3
Severe weather or natural disaster standby	2
Other	10

TOTAL**2376****NON-EMERGENCY ACTIVITY FY '14**

Building inspection	226
Certificate of Occupancy	5
Campfire Inspections	67
Commercial Hood Inspection	83
Day Care Inspections	15
Fire Alarm System Tests	38
Fire Drills	72
Fire Extinguisher Classes	5
Fire Investigations	11
Fire Prevention Education	14
Foster Home Inspections	28
Juvenile Firesetter Intervention	4
Knox Box Inspections	1
Meetings	91
Permits of Assembly	82
Plan Reviews	148
Pre-construction Meetings	14
Site Reviews	30
Sprinkler Flow Tests	11
Training Sessions	160
Walk-through Inspections	28
Wood Stove Inspections	1

TOTAL**1134**

4.6 Legal Report

The following is a report of the activities of the office of the City Attorney for the fiscal year beginning July 1, 2013 and ending on June 30, 2014:

During the fiscal year 2013-2014, the following cases involving the City of Rochester were concluded:

1. Northern Utilities, Inc. v. City of Rochester/ Strafford County Case No. 219-2012-CV-00428;
2. City of Rochester v. Rennelda Trust, George Blaisdell and Clay Phalen/Strafford County Case # 219-2008-E-00117;

In addition to the above cases, as of June 30, 2014, the following actions involving the City of Rochester were pending in various New Hampshire and Federal Courts:

1. City of Rochester v. Albert Blaisdell and George Blaisdell /Strafford County Case # 219-2010-CV-00338;
2. Franklin Goodale Torr and Ann M. Torr v. Cecilia Torr and the City of Rochester /Strafford County Case #219-2010-CV-00421;
3. FairPoint v City of Rochester/Strafford County Case No. 219-2012-CV-00421 (consolidated in Merrimack County Superior Court);
4. FairPoint v City of Rochester/Strafford County Case No. 219-2013-CV-00343 (consolidated in Merrimack County Superior Court);
5. FairPoint v City of Rochester/Strafford County Case No. 219-2014-CV-00313 (consolidated in Merrimack County Superior Court);
6. Officer John Gantert v. City of Rochester/Strafford County Case No. 219-2013-CV-00230.



It should be noted that the listing of cases does not include various bankruptcy proceedings pending in various U.S. District Courts across the United States in which the City of Rochester has filed proofs of claims and/or other pleadings with regard to the City's various interests in such bankruptcy estates, workers compensation proceedings, and various litigation in which the City is, or was, represented by counsel provided through the City's various liability carriers, or counsel retained on an individual case basis.

The office of the City Attorney also provided representation to the City in numerous matters before the New Hampshire courts with respect to cases in which the City was a party, as well as before various administrative agencies when necessary. In addition, the City Attorney attended Council meetings, as well as meetings of Council committees and other City boards and commissions upon request. Legal opinions and advice were provided to the City Manager, Mayor, Mayor and City Council, Department Heads, and City Department Divisions and. Legal instruments, including deeds, leases, contracts, ordinances, and amendments to ordinances, resolutions and other similar type documents were drafted and reviewed, as required, during the year and representation of the City was provided with regard to the acquisition and disposition of real estate, as well as the negotiation of various disputes and the drafting and review of agreements concerning the City for numerous purposes.

Respectfully submitted,

Danford J. Wensley, City Solicitor

4.7 Library



The Rochester Public Library offers the city a collection of roughly 91,000 items, including movies and TV series, audio books, music CDs, and electronic resources. We subscribe to roughly 200 newspapers and magazines, and almost a third of the collection is dedicated to children and young adults. Our staff serves a dynamic and growing community – 400 people a day on average – with needs as diverse as job search help and foreign language learning. In FY14 the Library circulated over 261,000 items. Downloadable content continues to grow in popularity at an astonishing rate, with 13,000 titles downloaded. The volume of downloads was a 24.8% increase from FY13.

In addition to downloadable content, electronic resources are a huge part of what the Library offers. The Library offers access to three genealogical databases (HeritageQuest, Ancestry.com, and New England Ancestors), a foreign language learning database (Mango Languages), online versions of Chilton's Auto Repair manuals, and dozens of digitized local resources for historical and genealogical research. As demand increases and more and more resources become available digitally, the Library will continue to expand our online offerings and services from our website at www.rpl.lib.nh.us. As part of our online presence, the Library has also embraced social media services. You can follow the library on Facebook and Pinterest, with separate pages on each site for the children's library. Keep up to date on children's Make it and Take it craft events with our weekly craft blog at <http://rplchildrensroom.blogspot.com/>. You can also follow the adventures in the children's room flower and vegetable garden at: <http://cultivatingkidsgarden.blogspot.com/>.

This year's summer reading program was recognized by the City with the August Employee of the Month award going to the entire children's room staff. More than four hundred kids signed up for the castle and dragon themed 'My Kingdom for a Book' program. Staff transformed the children's library into a castle, complete with knight in armor and Sherwood Forest. Participating children enjoyed presentations on falconry and medieval armor, built fairy houses and model catapults, and read over six thousand books. In the teen room the theme was 'Spark a Reaction', and readers turned in 182 reading logs, 116 trivia sheets, and 37 book reviews for prizes from local sponsors.

4.7 Library (continued...)

The Friends of the Library have been very active this year, hosting events and fund raisers to benefit the Library. They held their annual Spring Fling on the first day of the season to attract new members, hosted their second annual Craft Day event with craft sales, demonstrations, and craft books, and sold tickets for raffle baskets filled with donated items throughout the year. Thanks to their fund raising efforts, The Friends were able to expand the Library's museum pass program. The Library now offers 10 passes to local museums. The passes can be checked out just like a book, and allow free or reduced price entrance to attractions across the state. 237 families benefited from this program this year.

In addition to the summer reading programs, the Library hosted its 32nd Annual Photography Show, which drew 75 people and 135 photo entries. The first prize went to Don Foster for his photo, 'Sled Dogs'. The library also played host to the 2nd Annual Rochester Area Author's Fair, which brought authors from the greater Rochester area to read from their work, share information about their process, and answer questions. Among this year's authors were two library employees, children's book illustrator and author Kathy Mallet, and cartoonist Stephanie Piro-Nolan, as well as library Trustee and author Steven Maimes. The library also participated again this year with Rochester Main Street for Free Comic Book Day, and was sponsored by Norm Vetter of the Vetter Foundation. Other programs this year include our weekly movie series, holiday wreath making (sponsored by Studley's Flower Gardens), a program on mountain climbing with author Dan Szczesny, knitting for beginners and 'sit n knit' with Doris Breton, local author Robert Varney reading from *Do Unto Others*, and weekly story time and craft programs in the children's room.

All of these programs and services would not be possible without the efforts of the Library staff and volunteers. The city is fortunate to have a team of highly skilled employees and trustees that work together to provide these services and programs.

Respectfully submitted,
Brian Sylvester
Director, Rochester Public Library



4.8 MIS (Municipal Information Systems)

COMPUTERS AND NETWORKING

MIS continued support of City operations in FY14. MIS support includes the Local Area Networks (LAN), Wide Area Networks (WAN) and the Institutional Network (I-NET) with all types of user administration, data maintenance and backup, virus and malware prevention, network and personal computer (PC) hardware repairs, upgrades and maintenance, software installation, training and research and development of computer aided procedures.

In FY14, the City established the process to accept credit cards for payment of auto registrations, water and sewer bills and property taxes. MIS was involved with the vendor / system selection and is now responsible for PCI compliance (Payment Card Industry). Though no payment information is stored by the City, the transporting of data through the City network must be confirmed to be secure. The testing is done every three months and if an issue appears, it must be corrected and the system retested. Any fail needs to be quickly fixed to return the City into compliance.

MIS has the primary responsibility for voice communications and City telephone systems. This includes all related hardware, software, voicemail, auto attendants, cabling for phone lines, equipment configuration, as well as being the primary contact for various communications vendors. In FY14, a new company was contracted to support the City PBX and telephones after the previous company decided to no longer provide support to the City.

MIS does most of the management for the Business System (MUNIS) including hardware support, user administration, software upgrades and periodic module updates from the vendor. In FY14, another upgrade to the system and the database engine was completed. As a result of this upgrade, many installations of the client software also required upgrading. The replacement of the original check printers (installed in 2001) occurred in FY14 as well.

Infrastructure maintenance, additions, upgrades and replacements occur every year. In FY14, MIS was involved with moves and changes within City Hall, changes within the Ice Arena, equipment replacement in the Revenue Building and repairs to several fiber cables. The MIS Server Room had proper air conditioning installed and installation of a new fire suppression system. Remaining City computers still using the Windows XP operating system were replaced.



ROCHESTER GOVERNMENT CHANNEL

The Rochester Government Channel (RGC) is Channel 26 on Metrocast Cablevision. In FY14, the RGC continued to follow its mission statement by cablecasting live City Council, Planning Board, Police Commission, Zoning Board of Adjustment, School Board and Joint Building Committee Meetings, as well as other special meetings and events as needed.

FY14 included a major project with the redesign of the console area in the City Council Chambers. This project included a new camera switcher, a new monitoring system, cabling moves, electrical troubleshooting, moving RGC equipment previously in the MIS Server Room to the City Council Chambers and moving the fiber connection that goes back to Metrocast. Also included in the redesign was the removal of some unneeded equipment so that everything could be consolidated into two racks instead of the previous three and the open desk area was remodeled to make the camera operator area less exposed.

The recording and playback system used by the City includes online Video on Demand (VOD) of recorded City meetings. These meetings can now be found on the Internet at <http://rochesternh.pegcentral.com/> for viewing. There is also a link off the City website.

4.8 MIS (Municipal Information Systems) (continued...)



The RGC continues to produce informational programming on City departments as well as Public Service Announcements on various subjects. Many of these programs are repeated multiple times on Channel 26 and some of these programs are also available on the Internet at <http://vimeo.com/cityofrochesternhgovtv/>. FY14 informational programming included the New Fireworks Ordinance, two Veterans programs, the Inauguration in January of 2014, Snow Removal, the 2014 Business Start-Up Competition, Wings and Wheels and a visit from NH Governor Hassan.

E-911 COMMITTEE

MIS participates on the E-911 Committee with coordination of most mapping and data needs. In FY14, the E-911 Committee continued the process of reviewing problem areas and changing or adjusting street numbers administratively as allowed by City Ordinance. The E-911 Committee also works with the Assessing Department to review new projects relative to street naming and numbering. E-911 issues pending with the State of New Hampshire are also periodically reviewed for corrections.

FY14 saw the completion of the change for the Columbus Avenue and Gonic Road project. The determination of street naming changes was done by a City Council vote and those changes became effective on March 28, 2014. This project involved 89 properties and approximately 4.6 miles of roadways.

The E-911 Committee coordinates street names and numbers for many private roads. When access to multiple homes or parcels is over privately owned property, the owners can agree to follow the City adopted system and no Public Hearing is required.

Respectfully Submitted,

Dennis Schafer
Systems Supervisor

4.9 Rochester Police Department

The **PRIME MISSION** of the Rochester Police Department is the protection of life and property. This is accomplished through fair and equal enforcement, always keeping in mind the rights and dignity of the public.

The basis of all Police Action is the law and credibility of the Agency. The measure of our service will be judged by the Public in the way we deliver our service. We will hold all personnel to a high level of ethical practices.

This mission can be achieved through crime prevention, public relations and community policing.

Overview

Rochester consists of an approximate area of 46 square miles, with an estimated population of 30,000. Although very separate in their job functions, all of the members of the Police Department work together to produce a high level of service to the citizens. Our staff consists of sworn officers and a civilian support staff. The Department maintains a Police Explorer Post. This nationally recognized division of the Boy Scouts of America "explores" law enforcement careers with young adults.

Our Communications Center operates with enhanced 911 and is staffed 24 hours per day, by specially trained personnel. This combined center dispatches calls for service for police, fire and Frisbie Hospital ambulance.

A three-member-board of Police Commissioner's elected by the citizens, serves the City. This was an election year. The first part of the year the citizens were represented by Chairman James F. McManus, Jr., Vice Chairman Alan B. Bemis and Commissioner David E. Winship, Jr. The second half of the year the citizens were represented by Chairman Lucien Levesque, Vice Chairman Bruce Lindsay and Commissioner Derek Peters.

Commissioner Alan Bemis valiantly fought and lost his battle with cancer on October 16, 2013. He worked tirelessly to support the constituents as a member of this Board.

Major Service Responsibilities

- to protect life and property through an effective partnership with the public and to address the needs and concerns of citizen customers.

- The Operation of a uniformed patrol force responsible for routine investigations and the general maintenance of law and order.

- The Operation of an Investigations Bureau divided into specialty sections investigating crimes and disorder against persons and property, vice or street crimes, domestic violence, prosecution, motor vehicle offenses, problem oriented policing and maintenance of evidence.

- The prevention and control of juvenile delinquency through a juvenile officer, prosecutor, court diversion coordinator, School Resource Officers, affiliation with Bridging the Gaps Coalition and coordination of community agencies interested in crime prevention.

- The Operation of a centralized communications center within the PD that is staff 24 hours per day specializing in dispatching calls for service for Police, Fire and EMS.

VISION STATEMENT

To reduce crime and improve the quality of life, through continuous community engagement.

VALUE STATEMENT

Dedication - To serving the public to the best of our abilities
Pride - In ourselves, department, and community
Integrity - Always doing the right thing, even when no one is looking

4.9 Rochester Police Department (continued...)



Top: Officer Marc Cilley
bottom: Officer Craig Forrest
taking their oath



Gary Boudreau taking oath as promoted
to Captain



Parker Aucoin assisting dad, Jeremy Aucoin with
pinning of his badge upon promotion to Sgt.



Off. Jacob Benjamin released
to solo patrol



Officer Dwayne Hatch getting released to solo
patrol



Officers' Adam Ducharme, Charles
Pendlebury and John Gantert life saving
award recipients



Al Bemis



Sgt. Anthony Deluca with the Blair Family;
2013 Blair Memorial Award recipient



Flo Alley - EOY 2013
Support



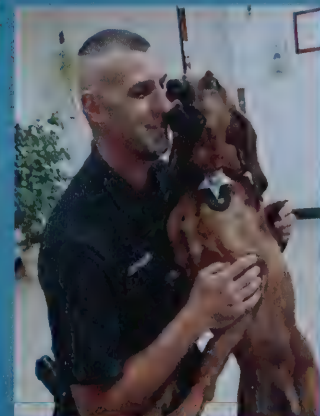
Det. Joseph Rousseau
PD EOY 2013 - Police
Officer



Recognition of Comm. McManus



National Night Out
Deputy Chief
Scott Dumas



Officer Keith MacKenzie and
Daisy

FY 14 YEARLY GOALS AND OBJECTIVES

GOAL #1: Continue development of positive relationships with the community through increased police presence and public education.

1. Maintain Presence in the Downtown
2. Participation in Outreach Programs
3. Educate Public on Mission & Vision of Department

GOAL #2: Decrease Property Crime.

1. DDACTS (Data-Driven Approaches to Crime and Traffic Safety)
2. Neighborhood Patrols
3. Business Partnerships/ Community Engagement

GOAL #3: Foster a Safe Community

1. Traffic Safety
2. Disrupt Illegal Drug Activity

LONG-TERM GOALS AND OBJECTIVES (3 – 5 years)

The City of Rochester is experiencing both residential and commercial growth. With these increases will necessarily bring with them increased service demands. With this in mind long term considerations are as follows:

- Increase in staff positions to include, communications, sworn, and non-sworn personnel
- Increase in fleet
- Finishing of 3rd floor for expansion purposes
- Parking lot expansion for police vehicles
- Maintain demographically represented police force
- Keep technologically current
- Consider regional partnerships

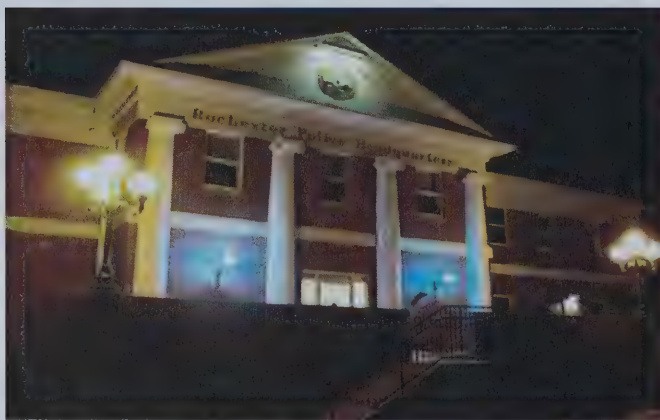
Leadership within the police department is always subject to turnover based on years of service, retirements, etc. The following strategies will be utilized to address these potential transitions as seamless as possible.

- Identifying potential successors
- Providing training to prepare those successors prior to the need
- Job shadowing
- Develop transition programs for each level of supervision

The following highlights some of our progress on our goals.

- Our philosophy of community policing is accomplished by community engagement through the many different programs that the department has implemented which are designed to build partnerships that strengthen relationships and build trust within the community.
- Our outreach programs include programs such as the Rochester United Neighborhoods program, community engagement officer, crime analysis, crime line, crisis intervention, social media, the Citizen's Police Academy, the newsletter, Housing Officers, Explorers, DARE Program, Project Good Morning, Teen Night, National Night Out, Bridging the Gaps and Diversion to name a few.
- The Rochester United Neighborhoods Ward based program is part of the Department's community policing initiatives. It is a network of citizens and city officials committed to claiming ownership and responsibility for our neighborhoods thereby improving quality of life. Working together RUN allows a community to establish shared visions and priorities, increase resources through collaboration and cooperation, and aim toward solving problems and implementing solutions; ultimately building community. The Neighborhood or Ward meetings help educate, inspire, motivate, and allow for people within neighborhoods to share information among one another and with the police department. In this way problems are prevented, decreased or eliminated and residents are connected with existing resources, providing community activities to build relationships and promote neighborliness. The key to success is communication and coordination. There are many levels at which neighbors and citizens can get involved.
- Our use of social media has reached new highs during this period. Face book is used to post helpful tips, community meetings, information on wanted persons, as well as seeking information from our citizens. We use our Website and the Department newsletter to further community engagement.
- Foot patrols, bicycle patrols and use of the unmarked cruiser were used for education and enforcement of bicycle laws, pedestrian laws, skateboarding and crosswalk violations in the downtown. These are areas that the business community and pedestrians have indicated are important to them.
- In addition to an adult citizen's police academy, we also offered a junior citizen's academy through the school this year.
- The Problem Oriented Policing Officer represents the Department at community events around the city including home safety and community days, Teen Night, October Festival, the Senior Health and Wellness Expo, and she has continued with her initiative in organizing the Wings and Wheels community event to benefit the food pantry. She serves on community boards such as Rochester Main Street, Rochester Crime line, the Salvation Army, the Homeless Center of Stafford County and Rotary. Goodwill is built through these positive police interactions increasing the perception of the Department and the City.
- The focus of traffic safety and disrupting illegal drug activity in the community goes hand in hand. Using data collected from the Crime Analyst allows us to identify problem areas and more efficiently target our resources. We have seen a positive impact and will continue to employ this moving forward.

4.9 Rochester Police Department (continued...)



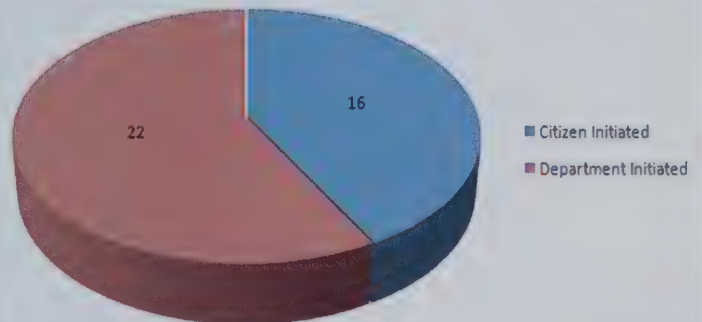
Commentary

Our fiscal year accomplishments are a direct credit to the Police Commission and staff. We also recognize the City Council for the funding and support of various projects and programs. Paramount to our success is the support of the citizen's of the City.

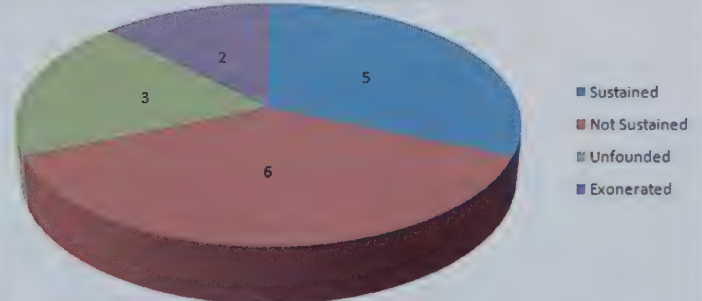
Officers and staff have responded well to the demands of the profession. I publicly thank the men and women of the Rochester Police Department both sworn and civilian for the hard work and dedication over the past year. I am fortunate to lead an agency that remains on the cutting edge of progressive law enforcement.

It is our vision that the Rochester Police Department will continue to be a cornerstone of progress and a model police department in service to our citizens, constantly improving the quality of services that we render. We are committed to offering the best service to the residents and visitors to the City, which can be accomplished through our community policing programs, advanced technology and input from our citizens.

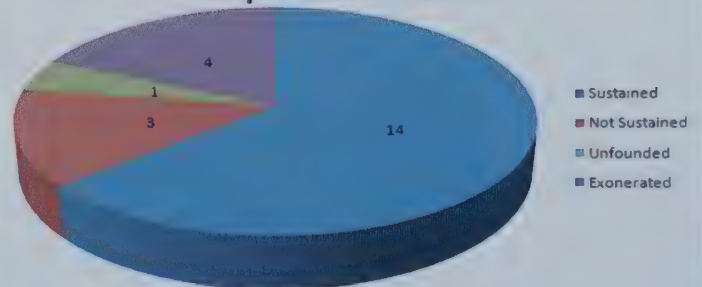
2014 Internal Affairs Investigations Totals



2014 Internal Affairs Dispositions
Citizen Initiated



2014 Internal Affairs Dispositions
Department Initiated



Respectfully submitted,

Chief Michael J. Allen

Personnel

- The following personnel resigned or retired during this reporting period: PT Off. Anthony Macaione, Spec. James Reinert, Spec. Rebecca Navelski, Off. Thomas Blair, Off. Allysia Burton, Spec. Keri Devine, Crime Analyst Chelsey Zeruth, Off. Eric Krans, Off. Steven Gahan, Off. James Bonneau, Sec. Karen Bonneau and Off. Adam Ducharme.
- The following personnel were hired to fill open vacancies during this reporting period: Off. Allysia Burton, Off. Thomas Powers, Off. Marc Cilley, Off. Craig Forrest, Spec. Candace Holmberg, Off. Jacob Benjamin, Off. Dwayne Hatch, Off. Michael Miehle, Sec. Crissy Petropoulos.

Service Recognition:

- Retirement –Officer James Bonneau retired from service. A valued employee, he was always willing to learn new things and share that knowledge with fellow officers. He served in patrol, investigations, prosecution and was a firearms instructor. He also worked in communications. Off. Bonneau said he will miss the people he's worked with. They are top notch and produce quality work that is unmatched.
- NH Police Fire and EMS Foundation recognition for Lt. Anthony Bossi and Sgt. Jeremy Aucoin for their commitment to community in spearheading the highly successful "breakfast with the children" program at the St. Charles Children's Home.
- Chief Theodore Blair Memorial Award. This annual award, one of the most prestigious we give, was created in memory of former Police Chief Ted Blair to recognize that officer who best exhibits the qualities Chief Blair had, including compassion, commitment, consistent display of respect for others, and sense of humor. He dedicated his career to the Department and left his mark on the community. Chief Blair passed away in 1995 following a short but valiant fight with cancer. Sgt. Anthony Deluca was selected as the 12th annual recipient. The Blair family was on hand to assist with this presentation.
- Willis "Red" Hayes Community Ambassador Award was created and is given to that officer most closely representing the personage and essence of the late Willis "Red" Hayes, who was a patrol officer for 32 years. The patrol officer is the heart of law enforcement and "Red" was the friendly cop on the square and a legend in the City. Officer Keith MacKenzie was presented the award.
- Recognition for Service: A plaque was presented to Commissioner James F. McManus, Jr., for his six years of service on the Police Commission. His public service to the community spanned 30 years.
- Employees of the Year 2013: The awards recognize police staff that show consistent work that goes above and beyond throughout the year, and honors what they do to make the city safe. Candidates are nominated by their peers. Communications: Kayla Rohloff; Support: Florence Alley; Police Officer: Joseph Rousseau.
- City Employee of the Year: Sgt. Anthony Deluca
- Lifesaving Award: Officer Worthley, Officer Gantert, Officer Pendlebury, Officer Ducharme, Officer Krans.
- Police Memorial Proclamation: The Department was recognized with a proclamation from the Mayor during National Police Memorial Week in May.
- NH Retailer's Association: This association recognized the Police Department for our aggressive stand and zero tolerance policy on shoplifting/willful concealment offenses. They also recognized Officer Tracy Hayes for her work with the NH Retailers web link; which provides retailers with an information sharing network of known offenders and target hardening strategies. President Nancy Kyle thanked all the officers for their efforts, noting that "your Department gets the big picture. Some people make their living defrauding retailers. It's a billion dollar industry."
- Acknowledgments by Citizens or the Department: The following officers and members, a few more than once, were thanked by the Department or by citizens for their assistance in the community. Chief Allen, Sgt. Aucoin, Off. Balint, Sec. Bonneau, Lt. Bossi, Sgt. Burke, Sgt. Cost, Off. Danie, Sgt. Deluca, Dep. Chief Dumas, Sgt. Emerson, Off. Flathers, Det. Frechette, Off. Funk, Off. Gantert, Off. Garneau, Off. Harding, Off. Jackson, Off. Kimbrough, Off. Kusnierz, Off. Leccacorvi, Off. Livingstone, Off. MacKenzie, Det. Mangum, Off. Moore, Off. D. Murphy, Off. James Murphy, Off. Ouellette, Off. Pendlebury, Off. Porfido, Off. Powers, Diversion Coordinator Rodler, Off. Seckendorf, Off. Smith, Det. Tapscott, Lt. Thomas, Capt. Toussaint, Crime Analyst ZeRuth.

4.10 Public Works Department

The Public Works Department is committed to providing quality of life to approximately 30,000 City residents. The goal of maintaining and improving the safety, health, and welfare of residents is accomplished by providing clean water, removing and treating sewage, maintaining roads, sidewalks, public buildings, pools, parks and cemeteries. This department's employees are dedicated to meeting the day to day challenges and finding solutions to complex problems arising as the City grows.

The Department of Public Works supports the Main Street Organization in the downtown area with many projects, committees and festivals, and also assists the Chamber of Commerce with the planning of their many events, including the Christmas Parade and annual Christmas Tree lighting ceremony.



The 2013-2014 winter season started in late November and we had another year with significant levels of snow fall. We had approximately 52 treatable events and a total snow fall of over 88" inches for the season.

Personnel Summary:

Peter C. Nourse, PE, continues as the Director of the Department of Public Works. The City Council and the City Manager have been actively supporting this department and the professionalism and commitment to working together has seen significant improvements to the level of service and the level of professionalism. The staff continues to contribute above and beyond expected levels.

The staffing in this multi divisional department is ever changing as staff retires and promotions happen internally. Bruce Young retired from the Buildings and Grounds Supervisor position after 20 years of service. Alan Maxfield retired from his Equipment Operator position after 28 years of service. Michael Sprague retired from the Pump Station Maintenance Technician position after 20 years of service. Michael Bezanson was hired as the City Engineer. Ian Rohrbacher was hired as the Chief Operator for the Water Treatment Facility.

The Public Works General Fund capital improvement projects initiated or completed during the Fiscal Year include:

- Cushing, Hale, Link, Snow, Gloria, Gerard, Adelia, Claire, and Sylvain Streets were paved in the fall of 2013. The paving list was completed in the spring of 2014 with Blackwater Road, Pawtuckets Way and Industrial Way.
- Concrete Sidewalks were replaced by Northeast Earth Mechanics on portions of Charles Street. Work will continue on this street in FY2015.
- Brock Street Reconstruction project was completed by SUR Construction during this fiscal year.
- The Stillwater Circle Bridge Repair and Construction project began and will finish within the next fiscal year.
- The Upper City Dam Repair and Reconstruction project began and will finish within the next fiscal year
- The Catherine, Sheridan, Granite and Glen Streets I/I project began this fiscal year. This project is likely to extend to two full construction seasons and will replace water, sewer, sidewalks and roadway in the area, this project has been expanded to include Knight, May and section of Upham Streets.
- The Department of Public Works replaced vehicle in all divisions which can be split across several budgets based on shared use. The vehicles replaced were as follows;

Highway Division – Replaced the 1994 Bob Cat with a 2014 Caterpillar Skid Steer. Replaced the 1999 loader with a 2013 Caterpillar, two sidewalk tractors' were refurbished and this division paid for a1/3 of the three pick up trucks. Two of the those were replacement of a 1998 pickups, and the other was an additional pickup for that division

Utilities Division –This division purchased its 1/3 each water and sewer share of the above mentioned pickups and ½ share of the replacement of a Utility body 2wd truck.

Building & Grounds – Replacement of 2000 1 ton truck 107, with a 2014 1 ton.

DPW Engineering staff reviewed and oversaw private developments within the City and reviewed and issued 32 driveway permits, 79 excavation permits and 32 storm water permits.

The DPW took on the task of completing a "Request for Qualifications" where engineering and architectural firms are requested to submit company information regarding experience and qualifications for municipally managed projects. The Department uses this process every 3-5 years to select consultants to assist with design and management of all City Projects. This year several new firms were selected, those are firms include, Tighe and Bond Professional Engineers, Underwood Engineers, Fay, Spofford & Thorndike Engineers, Geosyntec Consultants, Weston and Sampson Engineers. Per this RFQ the department will continue to utilize the services of Wright-Pierce Engineers, and Brown and Caldwell Engineers.

The Department managed the regional household hazardous waste collection effort. This annual collection event hosts 10 communities and is funded in part by a grant from NHDES. The actual household hazardous waste collection took place on May 3, 2014, at a site provided by Waste Management (WM) of New Hampshire and was staffed by a collaboration of Rochester DPW Office personnel and WM field representatives. Approximately 269 vehicles dropped off waste at the event.

The Christmas Tree for our downtown holiday display was donated by Gary and Dale Marino of #2 Page Street in Rochester. They made the donation in memory of Dale's Mom and Dad, Joanne and Dale Thomas, who had both passed away in the preceding year and who were both great lovers of the holiday season and of the City of Rochester. Urban Tree Service and SUR Construction donated their time and equipment to assist DPW Staff to erect the tree downtown. The art students from the Rochester Elementary Schools, St. Elizabeth Seton Academy and Jack & Jill Kinder Garden made the decorations that were laminated and strung by Monarch School of New England students.

WATER DIVISION

The staff at the Water Treatment Plant continues to comply with the State and Federal Drinking Water standards. This is accomplished through teamwork and a dedicated staff. We provide a quality product and service and seek complete customer satisfaction. The Water Treatment Plant staff listens, acknowledges, responds, takes action, reports and follows up with all aspects of operations. The Water Treatment plant produces high quality drinking water. The Water Treatment plant at 64 Strafford Road treated and filtered approximately 681.59 million gallons of water and the new well at 157 Farmington Road produced approximately 11.35 million gallons.



Capital Projects

- A 2.2 million dollar Water Treatment Plant Upgrade project began this fiscal year. This project will update equipment and processes to reduce the amounts of chemicals used to treat water and to improve efficiencies at the plant.
- Distribution:
The water distribution staff completed the spring and fall flushing program and continues to maintain the water lines, gates and meters, while handling each emergent situation regarding leaks and repairs due to system age, weather and construction work in the area.



4.10 Public Works Department (continued...)

SEWER DIVISION

The Department of Public Works Wastewater Treatment Facility is dedicated to the treatment of wastewater that flows into the facility from Rochester, East Rochester and Gonic and to deliver a clean, clear and safe effluent into the Cocheco River.

The present day advanced Wastewater Treatment Facility is designed to treat an average flow of 5.0 million gallons per day (mgd) with a peak design flow of 16 million gallons per day (mgd). The City operates under the strict effluent limitations and monitoring requirements contained in the July 23, 1997 National Pollution Discharge Elimination System (NPDES) Permit issued by the U.S. Environmental Protection Agency.

Capital Projects

- We continue to work with and support the efforts of the Cocheco River Coalition. The goal of this coalition is to ensure the issuance of a new NPDES Permit with necessary and attainable permitted levels for the participating local communities.
- Construction began on the upgrades at the New Rt 125 Pump Station, and the Weeping Willow, Sawyer Ave, Kirsten Ave and the Autumn Street stations. The construction is expected to be completed by FY15 end.
- The Solar powered Gridbees pilot study began and will continue into the next fiscal year. The Gridbees were added as a mixing component to the online aeration basin. These mixers will reduce the main aeration blower output, thereby reducing the electrical usage.
- Design of the Western Ave Pump Station and the Franklin Street Area I/I project began this fiscal year. Intentions are to begin construction in late FY2015.

The sewer division continues to work in coordination with other divisions and consultants on many projects throughout the City to include wastewater treatment, collection systems, storm water and the industrial pretreatment program. The employees in this division have done an outstanding job this year on increasing their knowledge and certification levels in both treatment and collection systems. The facility hosted a Fat, Oil and Grease training course that was sponsored by NHDES.

The Wastewater Treatment Facility continues to operate at or below projected O&M costs for power, chemicals, equipment maintenance and plant staffing levels. The staff continues to put forth an outstanding effort and dedication to achieve permit compliance through operational control, preventative/corrective maintenance, teamwork and training.

The Wastewater Treatment Facility treated 1,115,485 gallons of wastewater. The average daily effluent flow was 3,056,123 gallons. The facility continues to produce a high quality effluent and is running extremely well as we have removed 364,257 pounds of CBOD (98.3%) and 636,968 pounds of TSS (98.0%). We have also received and treated 1,409,550 gallons of septage.



HIGHWAY/FLEET DIVISION

The Highway/Fleet Division is dedicated to ensuring the City's streets are maintained in the best possible condition within funding constraints. Responsibilities include maintaining all paved and gravel roads, sidewalks, pavement markings, traffic signals, street trees, drainage facilities, as well as insuring that the public works fleet of vehicles and equipment are in good running order.

Highway crews also shimmed several streets. In support of the pavement rehabilitation program, crews redefined ditch lines, trimmed back brush and graveled shoulders on several streets. Numerous pavement cuts were repaired. Crews installed culverts at various locations.



BUILDINGS & GROUNDS DIVISION

Capital Projects

- City Hall – The MIS Server Room Air-conditioning project began and was completed this fiscal year.
- Community Center Sprinkler System was installed.
- Gonic Pool was replastered and repairs and replastering was finished on the wading pool at Hanson Pines.

The Buildings and Grounds has the responsibility for maintenance on ten city buildings, several parks, and four pools. This staff works hard to keep them all in the best condition possible. The adopt-a-spot program enjoyed another successful year with 38 spots adopted and maintained by individuals, businesses and civic organizations. The Community Center continues to house the NH Department of Health and Human Service, the Rochester School Department Administrative Services, the Alternative School and the Hope School as well as many other private and non profit agencies.



4.11 Recreation Arena & Youth Services Department



Program Overview

Every Recreation & Arena offering in 2013-2014 was a direct reflection of the department's mission to provide recreational and community programming aimed at enriching the quality of life in Rochester. A strong effort was made to align new and preexisting programming with objectives outlined in our Master Plan. Over fifty programs were offered by Rochester Recreation & Arena, 32% of which were offered free of charge to the public. Ten programs encouraging self directed activities were run as well as eleven programs that were designed to appeal to families. Programs specifically targeting the active, older adult population brought in 553 participants, with numbers continuing to grow daily. Throughout 2013-2014, over 10,881 people took part in a Rochester Recreation & Arena program or event, roughly 36% of the city's overall population. These participation numbers validate the department's continuous path of carrying out the mission to maintain meaningful connections with the community by providing programs, services and facilities that foster a healthy community.

Facilities

The 2013-2014 year brought several exciting upgrades to the Rochester Arena. The old bleachers were removed in August of 2013. The design, production and planning for new, custom bleachers culminated with their installation in August of 2014. In September of 2013, the rear exterior wall of the arena was replaced, properly insulated and painted. Also in September of 2013, the office, pro shop and warm room were demolished and a pro shop was reconstructed closer to the arena entrance. The following month, space formerly occupied by the YMCA was rehabbed by department staff to be used for meetings and recreational programming.



Extensive progress was also made at the Squamanagonic Recreation Area during 2013-2014. Through collaboration with volunteer disc golf enthusiasts, all 18 holes were completed. A celebration with volunteers and local officials was held at the course in June of 2014 to recognize the extensive progress that has been made in creating a new opportunity for a fun, outdoor self directed activity within the city.





Volunteerism

Continuing to materialize the goals listed in our Master Plan, Rochester Recreation & Arena continues to harness the power of volunteerism through its various programs and events. Rochester Pride Day was a successful collaboration with Rochester Main Street, as 200 volunteers assisted in a city wide clean up. Coordination with Liberty Mutual's "Serve with Liberty" initiative resulted in over 50 volunteers dedicating their time and energy to the Rochester Common and Squamanagonic Recreation Area. Other volunteer collaborations that continued to flourish in 2013-2014 were with the Spaulding High School AFJROTC program and the Wildcat Youth Mentors of the University of New Hampshire. Both organizations are active in supporting events such as Skate With Santa, Rochester Teen Night and our annual Halloween Party.



Programming Highlights

Recreational programming remained at the heart of Rochester Recreation & Arena throughout the 2013-2014 year. New programs included senior art class, senior fitness, senior open gym, parent-child play class, parent-child art, youth lacrosse and youth volleyball. These programs alone brought in 700 new participants throughout the year. A strong emphasis on revamping senior programming was proven successful in 2013-2014, as half of all new program participants were involved with programs designed for our 50 years and over senior population. Skating remained a popular past time in 2013-2014 with 3,100 participants taking part in various sessions of Public Ice Skate and Public Roller Skate. Rochester Teen Night saw another successful year, proving that the collaboration of Recreation & Arena and the Rochester Police Department has been a worthwhile partnership. Teen Night participation has increased by 206% since its creation in 2010. The evening Teen Night average in 2013-2014 was 296 participants.

4.12 Superintendent of Schools

To the School Board and Citizens of Rochester:

The Rochester school community continues to strive to develop engaged and passionate learners pre-K – 12. We believe that when all students are engaged, all students are learning. In order to bring this statement to life, the school department has embarked on many exciting initiatives. Below are a few highlights of these efforts.

Facilities

The Joint Building Committee was focused on the construction at the East Rochester School. Construction on the addition began in June, 2014. The addition will replace nearly all of the K to 5 classrooms in the school. The open concept school built in 1968 will be demolished, except for the gymnasium and kitchen. The newer wing will be used as a standalone pre-school. The construction should be completed by August 2015.

In our ongoing efforts to provide a safe learning environment for our students and staff, the District undertook a significant security project at Spaulding High School, which focused on modernizing the security at Spaulding High School. The front entry was reconfigured to create a secure entrance, doors were repaired and secured around the school, new security cameras were added and all of the doors can now be locked from a central location. Although these changes brought about contemporary improvements, the character of the building was preserved. In addition to the work at Spaulding High School, the interior door locks on all schools in the District will be upgraded to meet new safety standards.

Curriculum, Instruction, and Assessment Accountability

The 2013 – 2014 school year was monumental for our District in the area of curriculum, instruction, and assessment. Prior to the start of the school year, the Rochester School Board adopted the Rochester School District Assessment & Grading Philosophy Statement. This document is the foundation for our competency-based learning model. This means that student learning is driven by clear learning targets (competencies) that students are expected to master by the end of each grade-level/course. At regular intervals parents receive feedback on where their child is on his/her journey to meet each competency. If a student is Not Yet Competent (NYC), our teachers work with the student to make the necessary improvements until he/she demonstrates mastery of the competency(ies). These “relearning” opportunities take many different forms including in class support, tutoring before/after school, summer programming and online learning.

In addition, to receiving grades on competencies, parents receive regular feedback on their child’s Habits of Engaged Learners. These habits are essential personal and interpersonal qualities such as attitude, work ethic, respect for others, self and materials, readiness for work, cooperation and collaboration and are not only necessary for a successful educational experience but are essential for life-long skills.

Our transition to this competency-based learning model would not have been possible without the commitment and dedication from all members of our educational team. Teachers spent countless hours collaborating on the development of competencies and the quality assessments aligned to them. As a result of these efforts, students in K – 8 now have common assessments across schools and grade-levels. At the high school level, each course has a portion of the assessments in common. This work, although challenging at times, provides fertile ground for reflection on and improvement of our instructional practices.



Accountability

A continuous cycle of reviewing our progress and making improvements is embedded in our practices and culture. To this end, the Rochester School Board approved a "District Report Card" that sets goals and tracks progress on reading and mathematics goals, college and career ready performance, and progress on common performance assessments. This District Report Card, as well as annual school specific reports, is accessible to the public through our District website. We look forward to using these tools as a means to communicate our progress with the greater Rochester community.

Rochester Special Education Revenues and Expenditures As required by RSA 32:11-a

Table 1: Special Education Revenue

	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>
Tuition from other districts	\$ 360,966.49	\$ 184,934.11	\$ 140,686.18
Tuition for foster children	0.00	0.00	0.00
Catastrophic Aid (State)	352,946.14	294,925.44	321,049.18
Medicaid Reimbursement (Federal)	499,969.55	609,280.46	879,684.31
Special Education Grants (Federal)	1,095,349.92	1,205,109.44	1,052,254.80

Table 2: Special Education Expenditures

	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>
Salaries and Benefits	11,380,682.17	\$ 11,682,810.63	\$ 12,067,118.80
Tuition and Contracted Services	1,006,967.38	1,312,269.40	2,184,725.34
Supplies and Equipment	63,071.37	68,558.03	38,484.90
Other expenses	73,928.93	101,983.82	131,545.20
Special Area Administrative Services	1,062,151.18	1,800,975.76	1,382,931.39
Transportation	738,336.90	853,090.72	795,085.06

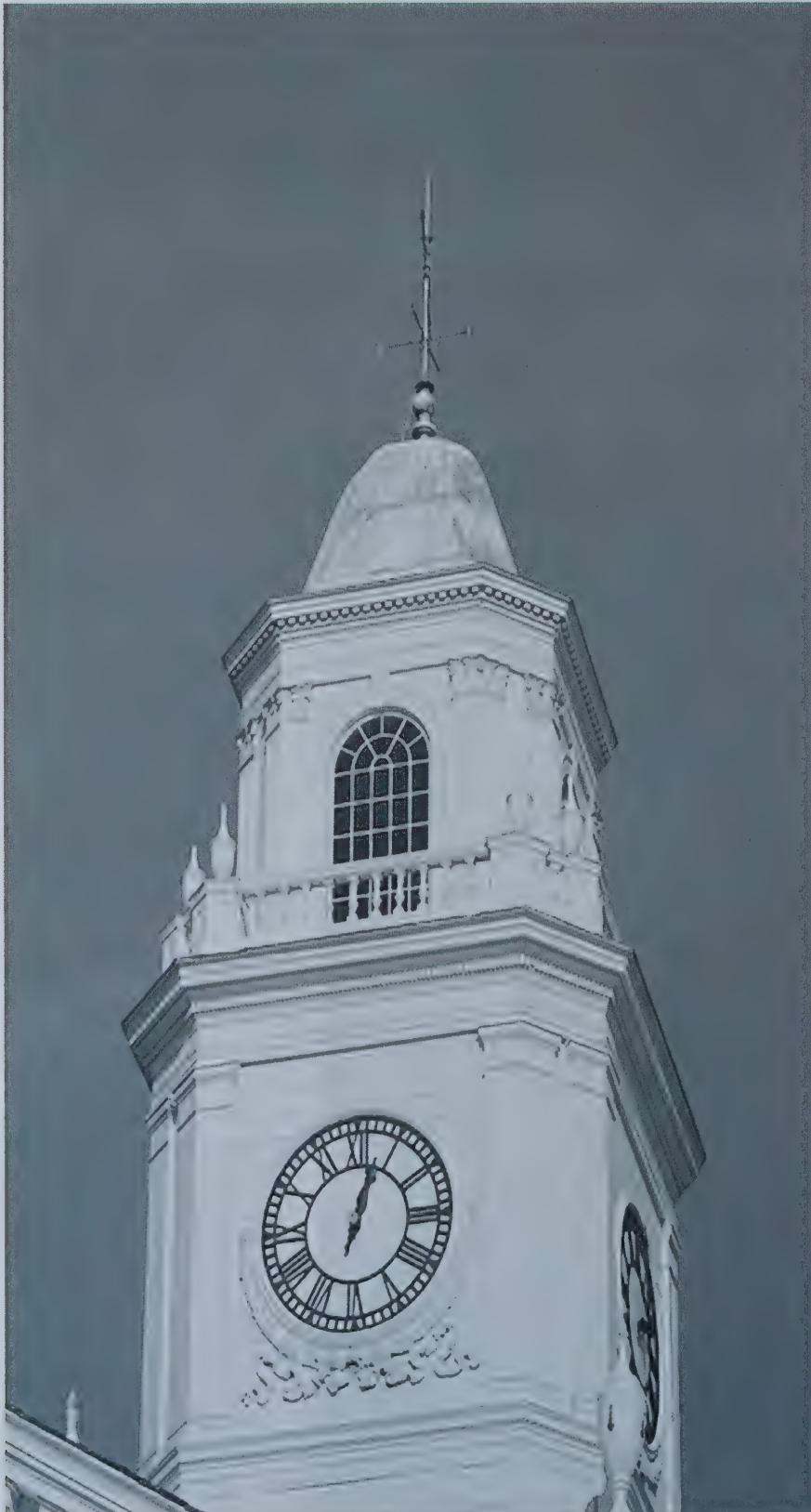
Table 3: Revenue to Expenditure Analysis

	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>
Total Revenues	\$ 2,309,232.10	\$ 2,294,249.45	\$ 2,393,674.47
Total Expenditures	4,325,137.93	15,819,688.36	16,599,890.69
Net Local Cost	12,015,905.83	13,525,438.91	14,206,216.22

Table 4: Sources of Revenue as Percent of Total

	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>
Federal Sources	11.14%	11.47%	11.63%
State Sources	2.61%	2.46%	1.86%
Other Sources	2.51%	1.17%	.85%
Local Property Tax	83.88%	85.50%	85.59%

4.12 Superintendent of Schools (continued...)



SCHOOL BOARD MEMBERSHIP AND STAFFING ROCHESTER SCHOOL DEPARTMENT

July 1, 2013 to
December 31, 2013

Seat	Member
Ward 1	Jake Collins Audrey Stevens
Ward 2	Daniel Harkinson Caroline McCarley
Ward 3	Julie Brown Matthew Pappas
Ward 4	Anthony Pastelis Susan O'Connor
Ward 5	Karen Stokes Paul Lynch
Ward 6	*James Gray ** Patricia Carroll Robert Watson
At-Large	Anne Grassie

January 1, 2014 to
June 30, 2014

Seat	Member
Ward 1	Jennifer Bryant Audrey Stevens
Ward 2	Daniel Harkinson Caroline McCarley
Ward 3	Julie Brown Matthew Pappas
Ward 4	Anthony Pastelis Susan O'Connor
Ward 5	Karen Stokes Paul Lynch
Ward 6	Patricia Carroll Robert Watson
At-Large	Kathy Dunton

*resigned 8/6/13

** sworn in 10/1/13



SCHOOL BOARD STANDING COMMITTEES

July 1, 2013 to December 31, 2013

BUILDING

Caroline McCarley, Chair
Anthony Pastelis, Vice-Chair
James Gray
Matthew Pappas
Audrey Stevens

DISCIPLINE

Daniel Harkinson, Chair
Julie Brown, Vice-Chair
Rotating Third Member

FINANCE

Robert Watson, Chair
Anne Grassie, Vice-Chair
Julie Brown
James Gray
Daniel Harkinson
Paul Lynch
Caroline McCarley
Anthony Pastelis
Audrey Stevens

INSTRUCTION

Anne Grassie, Chair
Daniel Harkinson, Vice-Chair
Laurie Beaulieu
Susan O'Connor
Anthony Pastelis

PERSONNEL

Audrey Stevens, Chair
Paul Lynch, Vice-Chair
Anne Grassie
Susan O'Connor
Karen Stokes

POLICY

Anthony Pastelis, Chair
James Gray, Vice-Chair
Daniel Harkinson
Susan O'Connor
Matthew Pappas

SPECIAL SERVICES

Julie Brown, Chair
James Gray, Vice-Chair
Laurie Beaulieu

July 1, 2013 to December 31, 2013

BUILDING

Paul Lynch, Chair
Audrey Stevens, Vice-Chair
Anthony Pastelis
Raymond Turner

DISCIPLINE

Daniel Harkinson, Chair
Julie Brown, Vice-Chair
Kathy Dunton
Rotating Member

FINANCE

Daniel Harkinson, Chair
Anthony Pastelis, Vice-Chair
Julie Brown
Paul Lynch
Matthew Pappas
Audrey Stevens
Robert Watson

INSTRUCTION

Robert Watson, Chair
Matthew Pappas, Vice-Chair
Susan O'Connor
Karen Stokes

PERSONNEL

Audrey Stevens, Chair
Paul Lynch, Vice-Chair
Jennifer Bryant
Thomas O'Connor

POLICY

Anthony Pastelis, Chair
Robert Watson, Vice-Chair
Jennifer Bryant
Susan O'Connor
Thomas O'Connor

SPECIAL SERVICES

Julie Brown, Chair
Karen Stokes, Vice-Chair
Kathy Dunton
Raymond Turner

4.12 Superintendent of Schools (continued...)



CENTRAL OFFICE ADMINISTRATORS

Michael L. Hopkins, Superintendent of Schools
 Mary Moriarty, Assistant Superintendent of Schools
 Linda Casey, Business Administrator
 Christiane Allison, Director of Pupil Services
 Heidi Zollman, Curriculum, Instruction, and Assessment Coord.
 Erica Stofanak, Curriculum, Instruction, and Assessment Coord.
 Stephen LeClair, Title I Director
 David Yasenchock, Chief Technology Coordinator
 Richard Bickford, Facilities Manager

PRINCIPALS

Peter Weaver, Spaulding High School
 Valerie McKenney, Rochester Middle School
 Kathy Dubois, Bud Carlson Academy (Director)
 Katherine Crosby, Chamberlain Street School
 Coby Troidl, East Rochester School
 Gwen Rhodes, Gonic School
 Robin Brown, Maple Street School
 Michelle McAlister, McClelland School
 Maureen Oakman, Nancy Loud School (Teaching Principal)
 Nancy Booth, School Street School (Teaching Principal)
 Lynn Allen, William Allen School

ASSISTANT PRINCIPALS

David Robbins, RW Creteau Technology Director
 Suzanne Filippone, Spaulding High School
 Pamela Martin, Spaulding High School
 Justin Roy, Spaulding High School
 Lorne Lucas, Rochester Middle School
 Adam Houghton, Rochester Middle School
 Jennifer Hersom, Chamberlain Street School
 Erin Mahoney, McClelland School
 Kelly Borish, William Allen School

SCHOOL NURSES

Nancy Graham, RN (Head Nurse)
 Christine Ballentine, RN
 Christine Comeau, RN
 Alicia Hopkins, RN
 Robin Hutchins, RN
 Stephanie McSharry, RN
 Elaine Paula, RN
 Jennifer Saucier, RN
 Shaune Shields, RN
 Tracey Tibbetts, RN
 Bethann Welch, RN

OUR SCHOOLS

Spaulding High School
Richard Creteau Regional Technology Center
Rochester Middle School

Elementary Schools

Chamberlain Street School
East Rochester School
Gonic School
Maple Street Magnet School
McClelland School
Nancy Loud School
School Street School
William Allen School
Bud Carlson Academy

PROGRAMS

Rochester Community Education
REACH Preschool
Tutoring Academy



4.13 Tax Collector's Office

The responsibilities of the Tax Collector's office consist of the collections of property taxes, water & sewer utility bills, current use taxes, timber, gravel & yield taxes, and other department collections. The Tax Collector's office executes property tax liens on delinquent taxes, files tax lien redemptions and notifies all property owners & mortgagees for all properties that will be going to tax lien & tax deed. In 2014 we liened approximately 760 properties totaling \$1,802,787.31.

The Tax Collector's office also processes auto registrations. In 2013-2014 we processed approximately 35,237 registrations totaling \$4,067,897.71. We collected \$98,604.00 in Municipal Agent fees. We also process auto registration renewals online and in 2013-2014 we processed approximately 3,310 online renewals.



Revenues collected by the Tax Collector's Office:

Total Warrant	53,324,262.00
Timber & Gravel Tax	24,474.14
Int Delinquent Taxes	740,641.88
Chg Tax for CU Removal	62,705.00
Motor Vehicle Permits	4,067,897.71
Water	3,363,957.19
Sewer	4,430,500.56

In November of 2013 we started accepting credit cards for auto registrations, tax payments, & water/sewer payments. From November 2013 through June 30, 2014 we took in approximately \$431,693.00 in payments made by credit cards.

We collected on approximately 29,464 water & sewer bills.

The Tax Collector's Office consisted of three full time employees and three part time employees. Our main goal in the office is to provide courteous and efficient service to all.

The Tax Collector's office staff consisted of Doreen Jones-Tax Collector, Karen Paquette-Deputy Tax Collector who retired in Jan. 2014, Virginia Gray-Clerk Typist II who was promoted to Deputy Tax Collector in February 2014, Pat Cox-Clerk Typist, Pauline Roseberry -Clerk Typist, and Debbie Millspaugh, Clerk Typist II & Nicole Maurice - Clerk Typist 1 who was hired in March 2014. I would like to thank all my staff for all their hard work & dedication through out the year.

Respectfully Submitted,

Doreen Jones, CTC
Tax Collector

4.14 Welfare Office

In compliance with RSA 165, the welfare department for the City of Rochester administers local emergency assistance for poor individuals unable to support themselves and require assistance in a financial crisis. It is our mission to meet our legal obligations, free of bias, in the most professional, thoughtful and cost effective manner possible.

The City of Rochester budgeted \$189,000 for direct assistance for fiscal year 2013-2014. A total of \$108,107 was expended for emergency assistance. City Welfare formally assisted 233 families and 182 single households.

Rochester City Welfare staff continues to take pride in our pro-active case management approach that has resulted in increased self-sufficiency for clients, at a lower cost to city taxpayers.

The City of Rochester continues to be a desirable place to live, work and raise a family for many socioeconomic statuses (SES,) including the lower income status, who are more likely to seek financial assistance programs. Lower average market rental rates compared to more southern seacoast area communities, access to public transportation and closer proximity to employment compared to communities north of Rochester continue to retain current Rochester residents and are desirable to others receptive to relocate, including people challenged by their financial situation.

As has been true for the last several years, the waiting lists for subsidized housing remained at 3-5 years. Disability decisions at the state and federal level continued to average about 1 year. Budgetary cuts to programs through New Hampshire Department of Health and Human Services have resulted in an elimination of some forms of family cash and emergency assistance. The responsibility and cost has shifted to municipal welfare.

City Welfare works closely with local homeless shelters, including the Homeless Center for Strafford County located in Gonic, to find appropriate emergency housing for residents in need. Homeless shelters not only shelter residents from the elements, but often provide needed support and case management to ensure a more long term solution to their current crisis. This is a great benefit to those in need of shelter and a cost savings to city taxpayers.

City Welfare continued collaborations with many government, non-profit agencies and local businesses, including, but not limited to, the New Hampshire Department of Health and Human Services, Strafford County Community Action and Rochester Share Fund.

Issuance of General Assistance Vouchers for Families:

Burial	\$ 3,000.00
Dental	\$ 140.00
Electricity	\$ 1,969.07
Fuel Heating	\$ 6,110.70
Mortgage	\$ 475.00
Prescriptions	\$ 536.79
Rent	\$ 48,643.45
Temporary Shelter (motel)	\$ 1,620.00
Transportation	\$ 345.75
TOTAL	\$ 62,840.76

Issuance of General Assistance for Individuals:

Burial	\$ 5,625.00
Dental	\$ 266.00
Electricity	\$ 856.38
Fuel Heating	\$ 2,551.00
Mortgage	\$ 2,443.50
Prescriptions	\$ 935.08
Rent	\$ 29,613.06
Temporary Shelter (motel)	\$ 1,025.00
Transportation	\$ 312.00

TOTAL \$ 43,627.02

Average cost per case/Family \$ 269.70

Single \$ 239.70

Total vouchers issued: \$108,107.78

Client Case Notes: 1243

City Welfare continued an annual Toy Bank collaboration with the Rochester Fire Department, assisting many children during the holiday season. City Welfare also continued a Back-to-School collaboration with Grace Community Church, which provided children with new backpacks and needed school supplies.

A special thanks to the many Rochester residents who have assisted their neighbors in need during challenging economic times. Their belief in neighbor helping neighbor is testament to the spirit and goodwill of Rochester residents.

I would like to thank the following staff for their dedicated service to this office: Secretary III Gail Galloway, (32 years of service,) Social Worker, Nancy Malinowski, Welfare Intake Workers, Nancy Sirois and Regina Lytle. Their dedication through this challenging year and commitment to our mission has been greatly appreciated.

Respectfully submitted,

Todd M. Marsh, Welfare Director

Chapter Five

Financial Reports

5.1 Auditor's Report

5.2 Granite State Business Park

TIF (Tax Increment Financing) Report

5.3 Trustees of the Trust Fund Report

5.1 Auditor's Report

The firm, Melanson Heath has prepared the FY14 Auditor's Report for the City of Rochester.

Per City Ordinances the audit is due to Council as follows:

11.13 Annual Report of City Receipts and Expenditures.

The City Manager shall annually, before the last day of January, present the independent auditors' report, in accordance with section 11.15 of this ordinance, of the preceding year.

11.15 Audit of City Accounts.

An independent audit of all accounts of the City shall be made annually by certified public accountants selected by the City Council and experienced in municipal accounting in accordance

CITY OF ROCHESTER, NEW HAMPSHIRE

Annual Financial Statements

For the Year Ended June 30, 2014

City of Rochester, New Hampshire

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MELANSONHEATH
ACCOUNTANTS • AUDITORS

149 Hanover Street
Manchester, NH 03101
(603)669-6130
melansonheath.com

INDEPENDENT AUDITORS' REPORT

To the City Council and City Manager
City of Rochester, New Hampshire

Additional Offices:

Nashua, NH
Andover, MA
Greenfield, MA
Ellsworth, ME

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rochester, New Hampshire, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opin-

ion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rochester, New Hampshire, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and Schedule of Funding Progress be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and

compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Melanson Heath

January 22, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Rochester, we offer readers this narrative overview and analysis of the financial activities of the City of Rochester for the fiscal year ended June 30, 2014.

A. OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of our finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, public safety, highways and streets, education, health and welfare, culture and recreation, community development, community services, and conservation. The business-type activities include water, sewer and arena activities.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

An annual appropriated budget is adopted for the general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary funds. Proprietary funds are maintained as follows:

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Specifically, enterprise funds are used to account for water, sewer and arena operations.

Proprietary funds provide the same type of information as the business-type activities reported in the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer, and arena operations. The City's major proprietary funds consist of the water and sewer funds.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which is required to be disclosed by accounting principles generally accepted in the United States of America.

B. FINANCIAL HIGHLIGHTS

- As of the close of the current fiscal year, the total of assets exceeded liabilities by \$131,277,845 (i.e., net position), a change of \$5,185,965 in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$5,802,425, a change of \$(5,149,909) in comparison to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$12,623,318, a change of \$(679,967) in comparison to the prior year.
- Bonds payable at the close of the current fiscal year was \$63,977,044, a change of \$(6,538,342) in comparison to the prior year.

C. GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of condensed government-wide financial data for the current fiscal year.

	<u>NET POSITION</u>		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Current and other assets	\$ 38,611,089	\$ 5,835,931	\$ 44,447,020
Capital assets	108,246,702	81,967,022	190,213,724
Deferred outflows	270,463	-	270,463
Total assets and deferred outflows of resources	147,128,254	87,802,953	234,931,207
Current liabilities	12,538,732	4,086,167	16,624,899
Noncurrent liabilities	37,151,087	26,746,068	63,897,155
Deferred inflows	22,799,666	331,642	23,131,308
Total liabilities and deferred inflows of resources	72,489,485	31,163,877	103,653,362
Net position:			
Net investment in capital assets	63,457,651	46,946,106	110,403,757
Restricted	1,124,492	-	1,124,492
Unrestricted	10,056,626	9,692,970	19,749,596
Total net position	\$ 74,638,769	\$ 56,639,076	\$ 131,277,845

CHANGES IN NET POSITION

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
Revenues:			
Program revenues:			
Charges for services	\$ 4,188,794	\$ 8,027,541	\$ 12,216,335
Operating grants and contributions	34,534,764	10,000	34,544,764
Capital grants and contributions	744,631	2,314,601	3,059,232
General revenues:			
Property taxes	43,601,694	-	43,601,694
Licenses and permits	4,303,086	117,926	4,421,012
Penalties and interest on taxes	1,368,044	19,045	1,387,089
Grants and contributions not restricted to specific programs	1,850,836	-	1,850,836
Investment income	77,623	5,500	83,123
Other	3,090,456	322,659	3,413,115
Total revenues	93,759,928	10,817,272	104,577,200
Expenses:			
General government	4,859,412	-	4,859,412
Public safety	12,636,283	-	12,636,283
Highway and streets	6,098,696	-	6,098,696
Education	62,643,154	-	62,643,154
Health and welfare	379,774	-	379,774
Culture and recreation	1,818,822	-	1,818,822
Community development	429,756	-	429,756
Community services	706,519	-	706,519
Conservation	11,942	-	11,942
Interest on long-term debt	1,796,177	-	1,796,177
Water	-	3,659,247	3,659,247
Sewer	-	3,916,358	3,916,358
Nonmajor enterprise	-	435,095	435,095
Total expenses	91,380,535	8,010,700	99,391,235
Change in net position before transfers	2,379,393	2,806,572	5,185,965
Transfers in (out)	(579,148)	579,148	-
Change in net position	1,800,245	3,385,720	5,185,965
Net position - beginning of year (as restated)	72,838,524	53,253,356	126,091,880
Net position - end of year	\$ 74,638,769	\$ 56,639,076	\$ 131,277,845

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, total net position was \$131,277,845, a change of \$5,185,965 from the prior year.

The largest portion of net position \$110,403,757 reflects our investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position \$1,124,492 represents resources that are subject to external restrictions on how they may be used. In theory, the remaining balance of unrestricted net position \$19,749,596, may be used to meet the government's ongoing obligations to citizens and creditors.

Governmental activities. Governmental activities for the year resulted in a change in net position of \$1,800,245. Key elements of this change are as follows:

General fund operations, as discussed further in Section D	\$ (1,712,210)
Capital projects fund activity on accrual basis	3,185,051
Nonmajor fund activity	63,996
Depreciation, which is not budgeted or funded, over principal maturities, a budgeted expense	(1,357,116)
Other	1,620,524
Total	<u>\$ 1,800,245</u>

Business-type activities. Business-type activities for the year resulted in a change in net position of \$3,385,720. Key elements of this change are as follows:

Water operations	\$ 166,923
Sewer operations	3,250,578
Nonmajor enterprise operations	<u>(31,781)</u>
Total	<u>\$ 3,385,720</u>

D. FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources.

Such information is useful in assessing financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$5,802,425, a change of \$(5,149,909) in comparison to the prior year. Key elements of this change are as follows:

General fund operations	\$ (1,712,210)
Capital projects fund activity	(3,501,695)
Nonmajor fund activity	<u>63,996</u>
Total	<u>\$ (5,149,909)</u>

The general fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$12,623,318, while total fund balance was \$13,242,936. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Refer to the table below.

<u>General Fund</u>	<u>6/30/14</u>	<u>6/30/13</u>	<u>Change</u>	<u>% of Total General Fund Expenditures</u>
Unassigned fund balance	\$ 12,623,318	\$ 13,303,285	\$ (679,967)	15.3%
Total fund balance	\$ 13,242,936	\$ 14,955,146	\$ (1,712,210)	16.1%

The total fund balance of the general fund changed by \$(1,712,210) during the current fiscal year. Key factors in this change are as follows:

Revenues in excess of budget	\$ 991,389
Expenditures less than budget	841,586
Use of fund balance as a funding source	(3,508,970)
Other timing issues	<u>(36,215)</u>
Total	<u>\$ (1,712,210)</u>

Proprietary funds. Proprietary funds provide the same type of information found in the business-type activities reported in the government-wide financial statements, but in more detail.

Unrestricted net position of the enterprise funds at the end of the year amounted to \$9,692,970.

Other factors concerning the finances of proprietary funds have already been addressed in the entity-wide discussion of business-type activities.

E. GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget resulted in an overall change in appropriation of \$3,821,506. Major reasons for these amendments include:

- \$583,018 – City resolution to use unassigned fund balance to transfer monies to the sewer capital projects.
- \$100,385 – City received LGC insurance refunds. Proceeds were used to reimburse certain school department employees.
- \$1,210,684 – City resolution to use unassigned fund balance to transfer monies to the capital projects fund for school security and safety improvements.
- \$700,000 – City received LGC insurance refunds. Proceeds were used for special education tuition costs.
- \$270,000 – City resolution to use unanticipated revenues from Medicaid and tuition reimbursements to pay unanticipated tuition costs for special education services.

F. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Total investment in capital assets for governmental and business-type activities at year end amounted to \$190,213,724 (net of accumulated depreciation), a change of \$2,077,846 from the prior year. This investment in capital assets includes land, buildings and system, improvements, and machinery and equipment.

Major capital asset events during the current fiscal year included the following:

Governmental Activities:

Conversion of Construction in Progress to
Depreciable Asset:

Granite State Business Park	\$ 3,976,682
Pavement Rehab program	\$ 836,947
Drainage Improvement	\$ 800,000
Pine St Reconstruction	\$ 620,538

Business-type Activities:

Conversion of Construction in Progress to
Depreciable Asset:

Groundwater	\$ 3,097,029
Alum Sludge Management	\$ 923,459
Washington Street	\$ 1,983,216
Rochester Hill Water Tower	\$ 591,650
Spaulding TP Utility Relocation	\$ 441,867
Granite State Business Park	\$ 429,794

Additional information on capital assets can be found in the Notes to the Financial Statements.

Long-term debt. At the end of the current fiscal year, total bonded debt outstanding was \$63,977,044, all of which was backed by the full faith and credit of the government.

Additional information on long-term debt can be found in the Notes to the Financial Statements.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Rochester's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

City Finance Office
City of Rochester
31 Wakefield Street
Rochester, New Hampshire 03867

CITY OF ROCHESTER, NEW HAMPSHIRE

STATEMENT OF NET POSITION

JUNE 30, 2014

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current:			
Cash and short-term investments	\$ 33,788,080	\$ -	\$ 33,788,080
Investments	5,569	-	5,569
Receivables, net of allowance for uncollectibles:			
Property taxes	15,809	-	15,809
User fees	1,802,717	1,897,609	3,700,326
Intergovernmental	-	412,292	412,292
Other assets	68,477	432,376	500,853
Noncurrent:			
Receivables, net of allowance for uncollectibles:			
Property taxes	2,930,437	-	2,930,437
Intergovernmental	-	3,093,654	3,093,654
Capital Assets:			
Land and construction in progress	16,114,180	9,953,992	26,068,172
Other assets, net of accumulated depreciation	92,132,522	72,013,030	164,145,552
DEFERRED OUTFLOWS OF RESOURCES	<u>270,463</u>	<u>-</u>	<u>270,463</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	147,128,254	87,802,953	234,931,207
LIABILITIES			
Current:			
Accounts payable	2,436,963	321,465	2,758,428
Accrued liabilities	4,674,452	662,423	5,336,875
Internal balances	102,740	(44,358)	58,382
Tax refunds payable	150,726	-	150,726
Other liabilities	33,354	48,083	81,437
Notes payable	-	186,069	186,069
Current portion of long-term liabilities:			
Bonds payable	4,767,504	2,789,453	7,556,957
Bond premium	42,951	109,963	152,914
Capital lease payable	127,694	-	127,694
Compensated absences	202,348	12,877	215,225
Noncurrent:			
Bonds payable, net of current portion	30,591,169	25,828,918	56,420,087
Bond premium, net of current portion	279,293	356,348	635,641
Capital lease payable, net of current portion	403,979	-	403,979
Compensated absences, net of current portion	1,821,128	115,898	1,937,026
Other post employment benefits liability	4,055,518	444,904	4,500,422
DEFERRED INFLOWS OF RESOURCES	<u>22,799,666</u>	<u>331,834</u>	<u>23,131,500</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	72,489,485	31,163,877	103,653,362
NET POSITION			
Net investment in capital assets	63,457,651	46,946,106	110,403,757
Restricted for:			
Grants and other statutory restrictions	1,045,233	-	1,045,233
Permanent funds:			
Nonexpendable	43,866	-	43,866
Expendable	35,393	-	35,393
Unrestricted	10,056,626	9,692,970	19,749,596
TOTAL NET POSITION	\$ 74,638,769	\$ 56,639,076	\$ 131,277,845

The accompanying notes are an integral part of these financial statements.

CITY OF ROCHESTER, NEW HAMPSHIRE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2014

	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Governmental Activities:						
General government	\$ 4,859,412	\$ -	\$ 255,664	\$ (4,556,517)	\$ -	\$ (4,556,517)
Public safety	12,636,283	79,675	12,519	(12,231,459)	-	(12,231,459)
Highway and streets	6,098,696	-	476,448	(5,592,251)	-	(5,592,251)
Education	62,643,154	34,163,306	-	(25,538,671)	-	(25,538,671)
Health and welfare	379,774	-	-	(379,774)	-	(379,774)
Culture and recreation	1,818,822	-	-	(1,667,792)	-	(1,667,792)
Community development	429,756	291,783	-	(137,973)	-	(137,973)
Community services	706,519	-	-	210	-	210
Conservation	11,942	-	-	(11,942)	-	(11,942)
Interest	1,796,177	-	-	(1,796,177)	-	(1,796,177)
Total Governmental Activities	4,188,794	34,534,764	744,631	(51,912,346)	-	(51,912,346)
Business-Type Activities:						
Water operations	3,659,247	-	389,407	-	93,939	93,939
Sewer operations	3,916,358	-	1,925,194	-	2,293,977	2,293,977
Nonmajor enterprise fund operations	435,095	10,000	-	-	(46,474)	(46,474)
Total Business-Type Activities	8,010,700	10,000	2,314,601	-	2,341,442	2,341,442
Total	\$ 99,391,235	\$ 34,544,764	\$ 3,059,232	(51,912,346)	2,341,442	(49,570,904)
General Revenues and Transfers:						
Property taxes				43,601,694	-	43,601,694
Licenses and permits				4,303,086	117,926	4,421,012
Penalties, interest, and other taxes				1,368,044	19,045	1,387,089
Grants and contributions not restricted to specific programs				1,850,836	-	1,850,836
Investment income				77,623	5,500	83,123
Miscellaneous				3,050,456	322,659	3,413,115
Transfers, net				(579,148)	579,148	-
Total general revenues and transfers				53,712,591	1,044,278	54,756,869
Change in Net Position				1,800,245	3,385,720	5,185,965
Net Position:						
Beginning of year, as restated				72,838,524	53,253,356	126,091,880
End of year				\$ 74,638,769	\$ 56,639,076	\$ 131,277,845

The accompanying notes are an integral part of these financial statements.

CITY OF ROCHESTER, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2014

	General	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and short-term investments	\$ 33,616,965	\$ -	\$ 171,115	\$ 33,788,080
Investments	-	-	5,569	5,569
Receivables:				
Property taxes	3,957,626	-	-	3,957,626
User fees	363,299	52,710	1,386,708	1,802,717
Due from other funds	11,604,840	-	994,472	12,599,312
Other assets	50,159	-	18,318	68,477
TOTAL ASSETS	\$ 49,592,889	\$ 52,710	\$ 2,576,182	\$ 52,221,781
LIABILITIES				
Accounts payable	\$ 1,262,082	\$ 1,021,609	\$ 153,272	\$ 2,436,963
Accrued liabilities	4,028,133	138,156	7,783	4,174,072
Tax refunds payable	150,726	-	-	150,726
Due to other funds	4,218,376	7,469,406	1,014,270	12,702,052
Other liabilities	33,354	-	-	33,354
TOTAL LIABILITIES	9,692,671	8,629,171	1,175,325	19,497,167
DEFERRED INFLOWS OF RESOURCES	26,657,282	-	264,907	26,922,189
FUND BALANCES				
Nonspendable	50,159	-	43,866	94,025
Restricted	549,459	-	1,092,084	1,641,543
Assigned	20,000	-	-	20,000
Unassigned	12,623,318	(8,576,461)	-	4,046,857
TOTAL FUND BALANCES	13,242,936	(8,576,461)	1,135,950	5,802,425
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 49,592,889	\$ 52,710	\$ 2,576,182	\$ 52,221,781

The accompanying notes are an integral part of these financial statements.

CITY OF ROCHESTER, NEW HAMPSHIRE

RECONCILIATION OF TOTAL GOVERNMENTAL FUND
BALANCES TO NET POSITION OF GOVERNMENTAL
ACTIVITIES IN THE STATEMENT OF NET POSITION

JUNE 30, 2014

Total governmental fund balances	\$ 5,802,425
• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	108,246,702
• Revenues are reported on the accrual basis of accounting and are not deferred until collection.	3,111,143
• In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(229,917)
• Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	<u>(42,291,584)</u>
Net position of governmental activities	\$ <u>74,638,769</u>

The accompanying notes are an integral part of these financial statements.

CITY OF ROCHESTER, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2014

	<u>General</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes	\$ 41,682,809	\$ -	\$ -	\$ 41,682,809
Penalties, interest, and other taxes	1,368,044	-	-	1,368,044
Charges for services	2,798,327	-	1,390,467	4,188,794
Intergovernmental	29,868,952	383,114	4,678,331	34,930,397
Licenses and permits	4,303,086	-	-	4,303,086
Investment income	64,538	-	13,085	77,623
Miscellaneous	1,850,836	-	23,135	1,873,971
Contributions	<u>2,442,533</u>	<u>585,125</u>	<u>-</u>	<u>3,027,658</u>
Total Revenues	84,379,125	968,239	6,105,018	91,452,382
Expenditures:				
Current:				
General government	4,134,800	648,642	904	4,784,346
Public safety	11,690,009	614,093	90,871	12,394,973
Highway and streets	2,716,910	3,578,331	-	6,295,241
Education	55,021,335	922,805	5,294,031	61,238,171
Health and welfare	377,859	-	-	377,859
Culture and recreation	1,752,981	25,000	-	1,777,981
Community development	158,840	-	264,588	423,428
Community services	-	-	667,335	667,335
Conservation	11,942	-	-	11,942
Debt service	6,513,641	-	-	6,513,641
Capital outlay	<u>-</u>	<u>1,520,968</u>	<u>17,258</u>	<u>1,538,226</u>
Total Expenditures	<u>82,378,317</u>	<u>7,309,839</u>	<u>6,334,987</u>	<u>96,023,143</u>
Excess (deficiency) of revenues over expenditures	2,000,808	(6,341,600)	(229,969)	(4,570,761)
Other Financing Sources (Uses):				
Transfers in	1,308,502	4,207,216	293,965	5,809,683
Transfers out	<u>(5,021,520)</u>	<u>(1,367,311)</u>	<u>-</u>	<u>(6,388,831)</u>
Total Other Financing Sources (Uses)	<u>(3,713,018)</u>	<u>2,839,905</u>	<u>293,965</u>	<u>(579,148)</u>
Change in fund balance	(1,712,210)	(3,501,695)	63,996	(5,149,909)
Fund Equity, at Beginning of Year, as restated	<u>14,955,146</u>	<u>(5,074,766)</u>	<u>1,071,954</u>	<u>10,952,334</u>
Fund Equity, at End of Year	<u>\$ 13,242,936</u>	<u>\$ (8,576,461)</u>	<u>\$ 1,135,950</u>	<u>\$ 5,802,425</u>

The accompanying notes are an integral part of these financial statements.

CITY OF ROCHESTER, NEW HAMPSHIRE

RECONCILIATION OF THE STATEMENT OF REVENUES
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2014

Net changes in fund balances - total governmental funds	\$ (5,149,909)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
Capital outlay purchases, net	6,686,746
Depreciation	(6,146,912)
Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., property taxes, etc.) differ between the two statements. This amount represents the net change in deferred revenue.	1,918,885
The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position:	
Issuance of debt	(375,148)
Repayments of debt on bonds payable	4,789,796
Repayments of debt on capital leases	137,076
Current year amortization of bond premium	39,661
Current year amortization of loss on refunding	(45,395)
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(82,173)
Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds.	27,618
Change in net position of governmental activities	\$ 1,800,245

The accompanying notes are an integral part of these financial statements.

CITY OF ROCHESTER, NEW HAMPSHIRE

GENERAL FUND

STATEMENT OF REVENUES AND OTHER SOURCES, AND EXPENDITURES AND OTHER USES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
	<u>Budget</u>	<u>Budget</u>		<u>Positive</u>
				<u>(Negative)</u>
Revenues and Other Sources:				
Taxes	\$ 41,561,852	\$ 41,561,852	\$ 41,561,852	\$ -
Penalties, interest, and other taxes	1,135,572	1,138,368	1,368,044	229,676
Charges for services	3,060,820	2,863,003	2,798,327	(64,676)
Intergovernmental	31,227,602	31,694,105	31,719,788	25,683
Licenses and permits	3,893,975	3,918,975	4,303,086	384,111
Investment income	55,000	55,000	64,538	9,538
Miscellaneous	950,290	1,974,762	2,407,533	432,771
Transfers in	404,000	1,104,000	1,078,286	(25,714)
Use of fund balance	1,708,418	3,508,970	3,508,970	-
Total Revenues and Other Sources	83,997,529	87,819,035	88,810,424	991,389
Expenditures and Other Uses:				
General government	4,308,539	4,252,092	4,127,611	124,481
Public safety	12,022,686	12,057,241	11,667,347	389,894
Highway and streets	2,703,287	2,727,969	2,695,701	32,268
Education	54,079,588	55,093,891	55,021,335	72,556
Health and welfare	449,080	449,230	372,371	76,859
Culture and recreation	1,738,975	1,732,034	1,742,923	(10,889)
Debt service	6,714,361	6,670,058	6,513,641	156,417
Transfers out	1,981,013	4,836,520	4,836,520	-
Total Expenditures and Other Uses	83,997,529	87,819,035	86,977,449	841,586
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ -	\$ -	\$ 1,832,975	\$ 1,832,975

The accompanying notes are an integral part of these financial statements.

CITY OF ROCHESTER, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

JUNE 30, 2014

	Business-Type Activities Enterprise Funds			
	Water Fund	Sewer Fund	Nonmajor Enterprise Fund	Total
ASSETS				
Current:				
Due from other funds	\$ -	\$ 2,623,008	\$ 46,230	\$ 2,669,238
User fees, net of allowance for uncollectibles	850,651	1,046,950	8	1,897,609
Intergovernmental receivables	53,401	358,891	-	412,292
Other assets	389,984	42,392	-	432,376
Total current assets	1,294,036	4,071,241	46,238	5,411,515
Noncurrent:				
Intergovernmental receivables	-	3,093,654	-	3,093,654
Capital Assets:				
Land and construction in progress	4,845,746	4,895,923	212,323	9,953,992
Other assets, net of accumulated depreciation	28,817,414	42,105,269	1,090,347	72,013,030
Total noncurrent assets	33,663,160	50,094,846	1,302,670	85,060,676
TOTAL ASSETS	34,957,196	54,166,087	1,348,908	90,472,191
LIABILITIES				
Current:				
Accounts payable	115,085	190,597	15,783	321,465
Accrued liabilities	323,539	323,683	15,201	662,423
Due to other funds	2,403,884	-	220,996	2,624,880
Other current liabilities	-	48,083	-	48,083
Notes payable	176,239	9,830	-	186,069
Current portion of long-term liabilities:				
Bonds payable	1,024,924	1,685,030	79,499	2,789,453
Bond premium	2,815	106,373	775	109,963
Compensated absences	4,921	6,786	1,170	12,877
Total current liabilities	4,051,407	2,370,382	333,424	6,755,213
Noncurrent:				
Bonds payable, net of current portion	11,613,626	13,531,544	683,748	25,828,918
Bond premium, net of current portion	20,958	327,970	7,420	356,348
Compensated absences, net of current portion	44,290	61,076	10,532	115,898
OPEB liability	208,901	207,842	28,161	444,904
Total noncurrent liabilities	11,887,775	14,128,432	729,861	26,746,068
DEFERRED INFLOWS OF RESOURCES	-	331,834	-	331,834
TOTAL LIABILITIES AND DEFERRED OUTFLOWS OF RESOURCES	15,939,182	16,830,648	1,063,285	33,833,115
NET POSITION				
Net investment in capital assets	14,846,445	31,534,713	564,948	46,946,106
Unrestricted	4,171,569	5,800,726	(279,325)	9,692,970
TOTAL NET POSITION	\$ 19,018,014	\$ 37,335,439	\$ 285,623	\$ 56,639,076

The accompanying notes are an integral part of these financial statements.

CITY OF ROCHESTER, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

FOR THE YEAR ENDED JUNE 30, 2014

	Business-Type Activities Enterprise Funds			
	Water Fund	Sewer Fund	Nonmajor Enterprise Fund	Total
Operating Revenues:				
Charges for services	\$ 3,363,779	\$ 4,285,141	\$ 378,621	\$ 8,027,541
Other	<u>72,419</u>	<u>373,018</u>	<u>14,193</u>	<u>459,630</u>
Total Operating Revenues	3,436,198	4,658,159	392,814	8,487,171
Operating Expenses:				
Operating expenses	1,978,227	2,166,514	340,336	4,485,077
Depreciation	<u>1,164,750</u>	<u>1,163,258</u>	<u>64,026</u>	<u>2,392,034</u>
Total Operating Expenses	<u>3,142,977</u>	<u>3,329,772</u>	<u>404,362</u>	<u>6,877,111</u>
Operating Income (Loss)	293,221	1,328,387	(11,548)	1,610,060
Nonoperating Revenues (Expenses):				
Intergovernmental revenue	389,407	1,925,194	10,000	2,324,601
Investment income	2,500	2,500	500	5,500
Interest expense	<u>(516,270)</u>	<u>(586,586)</u>	<u>(30,733)</u>	<u>(1,133,589)</u>
Total Nonoperating Revenues (Expenses), Net	<u>(124,363)</u>	<u>1,341,108</u>	<u>(20,233)</u>	<u>1,196,512</u>
Income (Loss) Before Transfers	168,858	2,669,495	(31,781)	2,806,572
Transfers:				
Transfers in	-	583,018	-	583,018
Transfers out	<u>(1,935)</u>	<u>(1,935)</u>	<u>-</u>	<u>(3,870)</u>
Change in Net Position	166,923	3,250,578	(31,781)	3,385,720
Net Position at Beginning of Year	<u>18,851,091</u>	<u>34,084,861</u>	<u>317,404</u>	<u>53,253,356</u>
Net Position at End of Year	<u>\$ 19,018,014</u>	<u>\$ 37,335,439</u>	<u>\$ 285,623</u>	<u>\$ 56,639,076</u>

The accompanying notes are an integral part of these financial statements.

CITY OF ROCHESTER, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2014

	Business-Type Activities Enterprise Funds			
	Water Fund	Sewer Fund	Nonmajor Enterprise Fund	Total
<u>Cash Flows From Operating Activities:</u>				
Receipts from customers and users	\$ 3,634,622	\$ 5,183,789	\$ 393,281	\$ 9,211,692
Payments to vendors and employees	(1,965,699)	(2,037,955)	(329,647)	(4,333,301)
Other	114,127	(18,783)	-	95,344
Net Cash Provided By (Used For) Operating Activities	1,783,050	3,127,051	63,634	4,973,735
<u>Cash Flows From Noncapital Financing Activities:</u>				
Transfers in	-	583,018	-	583,018
Transfers out	(1,935)	(1,935)	-	(3,870)
Interfund borrowing	1,548,236	40,677	145,827	1,734,740
Net Cash (Used For) Noncapital Financing Activities	1,546,301	621,760	145,827	2,313,888
<u>Cash Flows From Capital and Related Financing Activities:</u>				
Acquisition and construction of capital assets	(1,944,100)	(1,877,011)	(108,932)	(3,930,043)
Principal payments on bonds	(1,231,260)	(2,129,412)	(88,491)	(3,449,163)
Bond issued in current period	388,147	937,322	-	1,325,469
SRF loan converted to long term bond	(388,147)	(928,964)	-	(1,317,111)
Bond premium proceeds	23,773	65,083	8,195	97,051
Interest expense	(516,270)	(586,586)	(30,733)	(1,133,589)
Intergovernmental revenue	336,006	768,257	10,000	1,114,263
Net Cash (Used For) Capital and Related Financing Activities	(3,331,851)	(3,751,311)	(209,961)	(7,293,123)
<u>Cash Flows From Investing Activities:</u>				
Investment income	2,500	2,500	500	5,500
Net Cash Provided by Investing Activities	2,500	2,500	500	5,500
Net Change in Cash and Short-Term Investments	-	-	-	-
Cash and Short-Term Investments, Beginning of Year	-	-	-	-
Cash and Short-Term Investments, End of Year	\$ -	\$ -	\$ -	\$ -
<u>Reconciliation of Operating Income to Net Cash Provided by (Used For) Operating Activities:</u>				
Operating income (loss)	\$ 293,221	\$ 1,328,387	\$ (11,548)	\$ 1,610,060
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	1,164,750	1,163,258	64,026	2,392,034
Changes in assets and liabilities:				
User fees	198,424	525,629	464	724,517
Other assets	(36,178)	11,383	-	(24,795)
Accounts payable	(60,125)	(11,154)	6,374	(64,905)
Accrued liabilities	145,997	10,408	(11,620)	144,785
Compensated absences	45,385	60,523	10,177	116,085
OPEB liability	31,576	38,617	5,761	75,954
Net Cash Provided By (Used For) Operating Activities	\$ 1,783,050	\$ 3,127,051	\$ 63,634	\$ 4,973,735

The accompanying notes are an integral part of these financial statements.

CITY OF ROCHESTER, NEW HAMPSHIRE

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2014

	Private Purpose Trust Funds	Agency Funds
<u>ASSETS</u>		
Cash and short-term investments	\$ 137,775	\$ 357,287
Investments	2,048,539	-
Due from other funds	-	58,382
Total Assets	2,186,314	415,669
<u>LIABILITIES AND NET POSITION</u>		
Other liabilities	-	415,669
Total Liabilities	-	415,669
<u>NET POSITION</u>		
Total net position held in trust	\$ <u>2,186,314</u>	\$ <u>-</u>

The accompanying notes are an integral part of these financial statements.

CITY OF ROCHESTER, NEW HAMPSHIRE
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Private Purpose Trust Funds</u>
Additions:	
Miscellaneous revenue	\$ 48,807
Increase in fair value of investments	<u>284,464</u>
Total additions	333,271
Deductions:	
Other	<u>100,211</u>
Total deductions	<u>100,211</u>
Net increase	233,060
Net position:	
Beginning of year	<u>1,953,254</u>
End of year	<u>\$ 2,186,314</u>

The accompanying notes are an integral part of these financial statements.

CITY OF ROCHESTER, NEW HAMPSHIRE

Notes to Financial Statements

1. Summary of Significant Accounting Policies

The accounting policies of the City of Rochester, New Hampshire (the City) conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The following is a summary of the more significant policies:

A. Reporting Entity

The City is a municipal corporation governed by a City Council. As required by generally accepted accounting principles, these financial statements present the government and applicable component units for which the government is considered to be financially accountable. In fiscal year 2014, it was determined that no entities met the required GASB 14 (as amended) criteria of component units.

B. Government-Wide and Fund Financial Statements**Government-Wide Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The City reports the following major governmental funds:

- The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *capital projects fund* accounts for all financial transactions used for the acquisition or construction of major capital facilities, infrastructure, vehicles, and equipment for the City.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The government reports the following major proprietary funds:

- The *Water Fund* accounts for services relating to water activities.
- The *Sewer Fund* accounts for services relating to sewer activities.

The *private-purpose trust fund* is used to account for trust arrangements, other than those properly reported in the pension trust fund or permanent fund, under which principal and investment income exclusively benefit individuals, private organizations, or other governments.

D. Cash and Short-Term Investments

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash. Cash balances are invested to the extent available, and interest earnings are recognized in the General Fund. Certain special revenue and fiduciary funds segregate cash, and investment earnings become a part of those funds.

Deposits with financial institutions consist primarily of demand deposits, certificates of deposits, and savings accounts. A cash and investment pool is maintained that is available for use by all funds. Each fund's portion of this pool is reflected on the combined financial statements under the caption "cash and short-term investments". The interest earnings attributable to each fund type are included under investment income.

For purpose of the statement of cash flows, the proprietary funds consider investments with original maturities of three months or less to be short-term investments.

E. Investments

State and local statutes place certain limitations on the nature of deposits and investments available. Deposits in any financial institution may not exceed certain levels within the financial institution. Non-fiduciary fund investments can be made in securities issued by or unconditionally guaranteed by the U.S. Government or agencies that have a maturity of one year or less from the date of purchase and repurchase agreements guar-

anteed by such securities with maturity dates of no more than 90 days from the date of purchase.

Investments for the Trust Funds consist of marketable securities, bonds and short-term money market investments. Investments are carried at market value.

F. Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due from/to other funds" (i.e., the current portion of interfund loans).

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (for enterprise funds only) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	10 – 20
Building and improvements	5 – 100
Infrastructure	10 – 50
Vehicles and equipment	5 – 50

H. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vested sick and vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental

funds only if they have matured, for example, as a result of employee resignations and retirements.

I. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position.

J. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as “fund balance”. Fund equity for all other reporting is classified as “net position”.

Fund Balance - Generally, fund balance represents the difference between the current assets and current liabilities/deferred inflows. The City reserves those portions of fund balance that are legally segregated for a specific future use or which do not represent available, spendable resources and therefore, are not available for appropriation or expenditure. Unassigned fund balance indicates that portion of fund balance that is available for appropriation in future periods.

The City's fund balance classification policies and procedures are as follows:

- 1) Nonspendable funds are either unspendable in the current form (i.e., inventory or prepaid items) or can never be spent (i.e., perpetual care).
- 2) Restricted funds are used solely for the purpose in which the fund was established. In the case of special revenue funds, these funds are created by statute or otherwise have external constraints on how the funds can be expended.
- 3) Committed funds are reported and expended as a result of motions passed by the highest decision making authority in the government (i.e., City Council).
- 4) Assigned funds are used for specific purposes as established by management.
- 5) Unassigned funds are available to be spent in future periods.

When an expenditure is incurred that would qualify for payment from multiple fund balance types, the City uses the following order to liquidate liabilities: restricted, committed, assigned, and unassigned.

Net Position - Net position represents the difference between assets/deferred outflows and liabilities/deferred inflows. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The remaining net position is reported as unrestricted.

K. Use of Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures for contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

2. Stewardship, Compliance, and Accountability

A. Budgetary Information

The City Manager presents an operating and capital budget for the proposed expenditures of the year commencing the following July 1. The budget, as enacted by the City Council, establishes the legal level of control and specifies that certain appropriations are to be funded by particular revenues. The original budget is amended during the year at City Council meetings as required by changing conditions. Departments are limited to the line item as voted. Formal budgetary integration is employed as a management control device during the year for the General Fund. At year end, appropriation balances lapse, except for certain unexpended capital items and encumbrances which will be honored during the subsequent year.

B. Budgetary Basis

The General Fund final appropriation appearing on the "Budget and Actual" page of the fund financial statements represents the final amended budget after all reserve fund transfers and supplemental appropriations.

C. Budget/GAAP Reconciliation

The budgetary data for the general fund is based upon accounting principles that differ from generally accepted accounting principles (GAAP). Therefore, in addition to the GAAP basis financial statements, the results of operations of the general fund are presented in accordance with budgetary accounting principles to provide a meaningful comparison to budgetary data.

The following is a summary of adjustments made to the actual revenues and other sources, and expenditures and other uses, to conform to the budgetary basis of accounting.

<u>General Fund</u>	<u>Revenues and Other Financing Sources</u>	<u>Expenditures and Other Financing Uses</u>
Revenues/Expenditures (GAAP basis)	\$ 84,379,125	\$ 82,378,317
Other financing sources/uses (GAAP basis)	<u>1,308,502</u>	<u>5,021,520</u>
Subtotal (GAAP Basis)	85,687,627	87,399,837
Adjust tax revenue to accrual basis	(120,957)	-
Recognize use of fund balance as funding source	3,508,970	-
To eliminate conservation activity	(37,705)	(196,942)
To eliminate economic development activity	(227,511)	(158,840)
To record other GAAP timing differences	<u>-</u>	<u>(66,606)</u>
Budgetary basis	<u>\$ 88,810,424</u>	<u>\$ 86,977,449</u>

D. Deficit Fund Equity

The following funds reflected deficit balances as of June 30, 2014:

Capital Projects Fund - various projects	\$ <u>(8,576,461)</u>
	\$ <u>(8,576,461)</u>

The deficits in these funds will be eliminated through future departmental revenues, bonds proceeds, and transfers from other funds.

3. Cash and Short-Term Investments

Custodial credit risk for deposits is the risk that in the event of a bank failure, the deposits may not be returned. The custodial credit risk for investments is the risk that, in the event of a failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

Pursuant to NH Statute, "the treasurer shall insure that prior to acceptance of any moneys for deposit or investment, including repurchase agreements, the federally insured bank shall make available at the time of such deposit or investment an option to have such funds secured by collateral having a value at least equal to the amount of such funds. Such collateral shall be segregated for the exclusive benefit of the City." The City does not have a deposit policy for custodial credit risk.

The underlying securities of the City's deposit in repurchase agreements of \$1,000,688 are held by the investment's counterparty, not in the name of the City.

As of June 30, 2014, \$195,713 of the City's bank balance of \$34,813,873 was exposed to custodial credit risk as uninsured or uncollateralized. This amount represents the cash portion of investment accounts in the custody of the Trustees of Trust Funds.

4. Investments

A. Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law employs the prudent person rule whereby investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Presented below is the actual rating as of year-end for each investment of the City:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Rating as of Year End</u>				<u>Not Rated</u>
				<u>Aaa</u>	<u>Aa</u>	<u>A</u>	<u>Baa</u>	
U.S. Treasury notes	\$ 61,781	N/A	\$ -	\$ 61,781	\$ -	\$ -	\$ -	\$ -
Corporate bonds	362,619		-	-	33,342	253,976	60,165	15,136
Corporate equities	1,149,456	N/A	1,149,456	-	-	-	-	-
Mutual funds	389,143	N/A	389,143	-	-	-	-	-
Federal agency securities	48,161		-	40,343	-	-	-	7,818
Municipal obligations	42,948		-	-	42,948	-	-	-
Total investments	<u>\$ 2,054,108</u>		<u>\$ 1,538,599</u>	<u>\$ 102,124</u>	<u>\$ 76,290</u>	<u>\$ 253,976</u>	<u>\$ 60,165</u>	<u>\$ 22,954</u>

B. Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City does not have policies for custodial credit risk.

The City's investments are subject to custodial credit risk exposure because the related securities are uninsured, unregistered, and/or held by the City's brokerage firm, which is also the Counterparty to these securities. The City manages this custodial credit risk with SIPC and excess SIPC.

C. Concentration of Credit Risk

The City does not have an investment in one issuer greater than 5% of total investments.

D. Foreign Currency Risk

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment. Although the City has an investment policy, it does not address foreign currency risk.

5. Taxes Receivable

The City bills property taxes on a semi-annual basis and they are due in July and December. Property tax revenues are recognized in the year for which taxes have been levied to the extent that they become available, i.e., due or receivable, within the current year and collected within the current period or within 60 days of year end.

Property taxes collected before the due date, and in advance of the year for which they are levied, are recorded as a prepaid tax liability as they are intended to finance the subsequent year's budget.

At the time of tax lien, which the City usually processes in May for the previous levy year, a lien is recorded on the property at the Registry of Deeds. The City Council approves conveyance of lien property to the City. Afterwards, the City Council sets a date for public sale.

The City annually raises through tax levy an amount (overlay for abatements) for property tax abatements and interest refunds. All abatements and interest refunds are charged to overlay.

Taxes receivable at June 30, 2014 consist of the following:

Current Use Tax		\$	16,020
Yield Tax			2,494
Unredeemed Taxes			
2013	1,462,717		
2012	950,199		
2011	480,200		
2010	307,700		
2009	205,416		
2008	154,791		
2007	117,617		
2006	118,741		
2005 and prior	133,196		
			3,930,577
Elderly Liens			8,535
Total		\$	<u>3,957,626</u>

Taxes Collected for Others

The City collects property taxes for the State of New Hampshire, the Rochester School District, and the County of Strafford. Payments to the other taxing units are normally made throughout the year. The ultimate responsibility for the collection of taxes rests with the City.

6. Allowance for Doubtful Accounts

The receivables reported in the accompanying entity-wide financial statements reflect the following estimated allowances for doubtful accounts:

	<u>Governmental</u>	<u>Business-Type</u>
Property taxes	\$ 1,011,380	\$ -
User fees		
Water	\$ -	\$ 94,517
Sewer	\$ -	\$ 116,328

7. Intergovernmental Receivables

This balance represents reimbursements requested from Federal and State agencies for expenditures incurred in fiscal 2014.

8. Interfund Fund Receivables/Payables

Although self-balancing funds are maintained, most transactions flow through the general fund. In order to obtain accountability for each fund, interfund receivable and payable accounts must be utilized. The following is an analysis of the June 30, 2014 balances in interfund receivable and payable accounts:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 11,604,840	\$ 4,218,376
Capital Projects Fund	-	7,469,406
Non Major Funds:		
Special Revenue Funds	994,472	1,014,270
Business Type Activities:		
Enterprise Funds		
Water	-	2,403,884
Sewer	2,623,008	-
Nonmajor Enterprise	46,230	220,996
Agency Funds	58,382	-
Total	<u>\$ 15,326,932</u>	<u>\$ 15,326,932</u>

9. Capital Assets

Capital asset activity for the year ended June 30, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, being depreciated:				
Land improvements	\$ 5,532,655	\$ 361,229	\$ (7,234)	\$ 5,886,650
Buildings and improvements	65,200,381	465,250	-	65,665,631
Vehicles and equipment	17,889,273	1,482,045	(169,056)	19,202,262
Infrastructure	141,253,698	6,849,972	(125,162)	147,978,508
Total capital assets, being depreciated	229,876,007	9,158,496	(301,452)	238,733,051
Less accumulated depreciation for:				
Land improvements	(3,278,870)	(204,247)	-	(3,483,117)
Buildings and improvements	(23,814,786)	(1,284,195)	-	(25,098,981)
Vehicles and equipment	(11,336,578)	(1,175,712)	176,255	(12,336,035)
Infrastructure	(102,215,284)	(3,482,758)	15,646	(105,682,396)
Total accumulated depreciation	(140,645,518)	(6,146,912)	191,901	(146,600,529)
Total capital assets, being depreciated, net	89,230,489	3,011,584	(109,551)	92,132,522
Capital assets, not being depreciated:				
Land	7,984,625	271,283	-	8,255,908
Easement	1,422,250	-	-	1,422,250
Construction in progress	9,069,504	6,896,068	(9,529,550)	6,436,022
Total capital assets, not being depreciated	18,476,379	7,167,351	(9,529,550)	16,114,180
Governmental activities capital assets, net	\$ 107,706,868	\$ 10,178,935	\$ (9,639,101)	\$ 108,246,702
Business-Type Activities:				
Capital assets, being depreciated:				
Land improvements	\$ 53,600	\$ 923,459	\$ -	\$ 977,059
Buildings and improvements	48,434,712	4,232,704	-	52,667,416
Vehicles and equipment	6,395,707	142,353	-	6,538,060
Infrastructure	45,996,721	4,835,084	-	50,831,805
Total capital assets, being depreciated	100,880,740	10,133,600	-	111,014,340
Less accumulated depreciation for:				
Land improvements	(46,600)	(20,469)	-	(67,069)
Buildings and improvements	(18,244,464)	(1,084,589)	-	(19,329,053)
Vehicles and equipment	(3,786,818)	(377,184)	-	(4,164,002)
Infrastructure	(14,531,394)	(909,792)	-	(15,441,186)
Total accumulated depreciation	(36,609,276)	(2,392,034)	-	(39,001,310)
Total capital assets, being depreciated, net	64,271,464	7,741,566	-	72,013,030
Capital assets, not being depreciated:				
Land	3,480,989	-	-	3,480,989
Construction in progress	12,676,557	3,470,005	(9,673,559)	6,473,003
Total capital assets, not being depreciated	16,157,546	3,470,005	(9,673,559)	9,953,992
Business-type activities capital assets, net	\$ 80,429,010	\$ 11,211,571	\$ (9,673,559)	\$ 81,967,022

Depreciation expense was charged to functions of the City of Rochester, New Hampshire as follows:

Governmental Activities:	
General government	\$ 279,731
Public safety	531,077
Highway and streets	3,774,182
Education	1,483,932
Culture and recreation	56,441
Community services	<u>21,549</u>
Total depreciation expense - governmental activities	\$ <u>6,146,912</u>
Business-Type Activities:	
Water	\$ 1,164,750
Sewer	1,163,258
Arena	<u>64,026</u>
Total depreciation expense - business-type activities	\$ <u>2,392,034</u>

10. Deferred Outflows of Resources

Deferred outflows of resources represent the consumption of net assets by the City that is applicable to future reporting periods. Deferred outflows of resources have a positive effect on net position, similar to assets.

The following is a summary of deferred outflow of resources balances as of June 30, 2014:

	Governmental
	<u>Activities</u>
Loss on debt refunding	\$ <u>270,463</u>
Total	\$ <u>270,463</u>

11. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities represent 2014 expenditures paid after June 30, 2014.

12. Tax Refunds Payable

This balance consists of an estimate of refunds due to property taxpayers for potential abatements. These cases are currently pending with the state Board of Tax and Land Appeals.

13. Notes Payable

This balance represents the drawdown proceeds from the State of New Hampshire through the State Revolving Loan Program. The program provides low interest loans to assist communities with the design and construction of various types of projects and the proceeds are disbursed as eligible cost are incurred through drawdowns. Upon completion of the project the original financial assistant agreement shall be amended to reflect actual project expenditures. A supplemental agreement will then be executed between the State and the City containing the final project cost and the repayment schedule.

14. Capital Lease Obligations

The City is the lessee of certain equipment under capital leases expiring in various years through 2018. Future minimum lease payments under the capital and operating leases consisted of the following as of June 30, 2014:

<u>Governmental</u>	<u>Capital Leases</u>
2015	\$ 141,943
2016	141,942
2017	141,942
2018	<u>141,940</u>
Total minimum lease payments	567,767
Less amounts representing interest	<u>36,094</u>
Present Value of Minimum Lease Payments	<u><u>\$ 531,673</u></u>

15. Long-Term Debt

A. General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds currently outstanding are as follows:

<u>Governmental Activities:</u>	Serial Maturities Through	Interest Rate(s) %	Amount Outstanding as of 6/30/14
1995 Series Bond Issue	08/15/15	5.25-5.625%	\$ 240,000
1996 Series Bond Issue	08/15/16	5.625-5.75%	168,000
1997 Series Bond Issue	08/15/17	4.70-5.30%	260,000
1998 Series A Bond Issue	08/15/18	4.91%	381,300
2002 Series Bond Issue	08/15/22	4.25-4.70%	2,818,000
2004 Series Bond Issue - Refunded	06/30/15	4.00%	745,000
2005 Series Bond Issue	01/15/26	4.00-4.40%	2,210,000
2005 Series Bond Issue - 20 year	01/15/21	4.00-4.40%	125,000
2005 Series Bond Issue - 15 year	01/15/16	4.00-4.25%	420,000
2005 Series Bond Issue - Honeywell	01/15/16	4.00-4.25%	1,920,000
2005 QZAB	12/29/20	0.00%	645,358
2007 Bond Issue - Refinancing - 13 year	08/15/20	5.50-5.80%	2,416,837
2008 Series Bond Issue - 20 year	02/15/28	3.00-5.00%	6,702,458
2008 Series Bond Issue - 10 year	02/15/18	5.25-6.50%	125,474
2008 Series Bond Issue - 10 year	02/15/18	3.00-5.00%	1,043,968
2008 Series A NHMBB - 20 year	08/15/28	4.00-5.25%	520,000
2010 Series Bond Issue - 5 year	01/15/15	2.00-2.25%	32,743
2010 Series Bond Issue - 10 year	01/15/20	2.00-3.25%	1,185,791
2010 Series Bond Issue - 20 year	01/15/30	2.00-4.00%	2,300,440
2012 Series B Bond Issue - 20 year - TIF	03/15/32	1.00-3.25%	4,820,000
2012 Series A Bond Issue - 20 year	03/15/32	2.00-3.00%	1,966,000
2012 Series A Bond Issue - 10 year	03/15/22	2.00-3.00%	125,000
2013 Series A - Refunding 2004 bonds	07/15/24	2.00-3.00%	3,830,914
2014 State Revolving Loan - Washington St Phase 4	06/01/33	3.39%	356,390
Total Governmental Activities:			<u>\$ 35,358,673</u>

<u>Business-Type Activities:</u>	Serial Maturities Through	Interest Rate(s) %	Amount Outstanding as of 6/30/14
1996 Series Bond Issue	08/15/16	5.625-5.75%	\$ 42,000
1998 Series A Bond Issue	08/15/18	3.90-4.75%	268,700
2002 Series Bond Issue	08/15/22	4.25-4.70%	963,000
2004 Series Bond Issue - Unrefunded Portion	07/15/14	3.10-4.00%	110,000
2005 Series Bond Issue	01/15/26	4.00-4.40%	140,000
2005 State Revolving Loan - Chestnut Hill	01/01/15	2.18%	71,602
2005 State Revolving Loan - Chestnut Hill	08/01/25	3.49%	527,812
2007 State Revolving Loan - Homemakers	07/01/27	2.14%	261,392
2007 State Revolving Loan - Ground Water Supply	09/01/26	3.35%	324,577

(continued)

(continued)

<u>Business-Type Activities:</u>	<u>Serial Maturities Through</u>	<u>Interest Rate(s) %</u>	<u>Amount Outstanding as of 6/30/14</u>
2007 Refinancing Bonds - 13 year	08/15/20	5.50-5.80%	533,163
2008 Series Bond Issue - 20 year	02/15/28	3.00-5.00%	3,867,542
2008 Series Bond Issue - 10 year	02/15/18	5.25-6.50%	429,526
2008 Series Bond Issue - 10 year	02/15/18	3.00-5.00%	376,032
2009 State Revolving Loan - East Rochester I&I	12/01/27	3.69%	1,296,671
2009 State Revolving Loan - South Main/Solar Bee Pilot	08/01/28	3.49%	1,001,340
2010 State Revolving Loan - South Main Street	02/01/29	2.95%	478,881
2010 Series Bond Issue - 5 year	01/15/15	2.00-2.25%	19,433
2010 Series Bond Issue - 10 year	01/15/20	2.00-3.25%	617,201
2010 Series Bond Issue - 20 year	01/15/30	2.00-4.00%	2,644,398
2011 Round Pond Land Purchase	04/06/20	0.00%	225,000
2010 State Revolving Loan - Washington Street	12/01/30	2.86%	1,812,043
2012 Series A Bond Issue - 20 year	03/15/32	2.00-3.00%	884,000
2013 State Revolving Loan - Cocheco Well	09/01/31	3.10%	1,624,281
2013 State Revolving Loan - Headworks	02/01/32	2.72%	1,258,513
2013 State Revolving Loan - Washington St Pump Station	07/01/31	3.10%	581,712
2013 Series B Bond Issue - Refunding 2004 bonds	08/01/20	2.00-4.00%	6,495,000
2013 Series A Bond Issue - Refunding 2004 bonds	07/15/24	2.00-3.00%	1,119,084
2014 State Revolving Loan - Washington & Pine St	12/01/32	2.72%	192,799
2014 State Revolving Loan - Washington St Phase 4	06/01/33	3.39%	452,669
Total Business-Type Activities:			<u>\$ 28,618,371</u>

B. Future Debt Service

The annual payments to retire all general obligation long-term debt outstanding as of June 30, 2014 are as follows:

<u>Governmental</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 4,767,504	\$ 1,210,948	\$ 5,978,452
2016	4,362,944	1,043,153	5,406,097
2017	3,059,239	888,283	3,947,522
2018	2,990,273	775,314	3,765,587
2019	2,626,699	674,710	3,301,409
2020 - 2024	10,277,304	2,217,063	12,494,367
2025 - 2029	5,688,649	793,924	6,482,573
Thereafter	<u>1,586,061</u>	<u>97,963</u>	<u>1,684,024</u>
Total	<u>\$ 35,358,673</u>	<u>\$ 7,701,358</u>	<u>\$ 43,060,031</u>

The general fund has been designated as the sole source to repay the governmental-type general obligation long-term debt outstanding as of June 30, 2014.

<u>Business-Type</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 2,789,453	\$ 941,340	\$ 3,730,793
2016	2,684,041	856,590	3,540,631
2017	2,684,512	768,810	3,453,322
2018	2,650,376	680,646	3,331,022
2019	2,430,971	598,501	3,029,472
2020 - 2024	8,648,314	1,922,134	10,570,448
2025 - 2029	5,363,915	740,781	6,104,696
Thereafter	1,366,789	76,754	1,443,543
Total	<u>\$ 28,618,371</u>	<u>\$ 6,585,556</u>	<u>\$ 35,203,927</u>

C. Changes in General Long-Term Liabilities

During the year ended June 30, 2014, the following changes occurred in long-term liabilities:

	Total Balance <u>7/1/13</u>	<u>Additions</u>	<u>Reductions</u>	Total Balance <u>6/30/14</u>	Less Current Portion	Equals Long-Term Portion <u>6/30/14</u>
<u>Governmental Activities</u>						
Bonds payable	\$ 39,773,321	\$ 375,148	\$ (4,789,796)	\$ 35,358,673	\$ (4,767,504)	\$ 30,591,169
Bond premium	361,905	-	(39,661)	322,244	(42,951)	279,293
Capital lease payable	668,749	-	(137,076)	531,673	(127,694)	403,979
Compensated absences	1,999,814	23,662	-	2,023,476	(202,348)	1,821,128
SRF loan proceeds	724,146	-	(724,146)	-	-	-
Other post employment benefits	3,327,416	728,102	-	4,055,518	-	4,055,518
Totals	<u>\$ 46,855,351</u>	<u>\$ 1,126,912</u>	<u>\$ (5,690,679)</u>	<u>\$ 42,291,584</u>	<u>\$ (5,140,497)</u>	<u>\$ 37,151,087</u>
<u>Business-Type Activities</u>						
Bonds payable	\$ 30,742,065	\$ 1,325,469	\$ (3,449,163)	\$ 28,618,371	\$ (2,789,453)	\$ 25,828,918
Bond premium	563,362	-	(97,051)	466,311	(109,963)	356,348
Compensated absences	12,690	116,085	-	128,775	(12,877)	115,898
SRF loan proceeds	1,317,111	-	(1,317,111)	-	-	-
Other post employment benefits	368,950	75,954	-	444,904	-	444,904
Totals	<u>\$ 33,004,178</u>	<u>\$ 1,517,508</u>	<u>\$ (4,863,325)</u>	<u>\$ 29,658,361</u>	<u>\$ (2,912,293)</u>	<u>\$ 26,746,068</u>

16. Deferred Inflows of Resources

Deferred inflows of resources are the acquisition of net assets by the City that are applicable to future reporting periods. Deferred inflows of resources have a negative effect on net position, similar to liabilities.

The following is a summary of deferred inflow of resources balances as of June 30, 2014:

	Governmental <u>Activities</u>	Business-Type <u>Activities</u> <u>Sewer Fund</u>
Prepaid taxes	\$ 101,562	\$ -
Taxes collected in advance	22,433,197	-
Unearned grant revenues	<u>264,907</u>	<u>331,834</u>
Total	<u>\$ 22,799,666</u>	<u>\$ 331,834</u>

	<u>Governmental Funds</u>					
	<u>Nonmajor Funds</u>					
	<u>General Fund</u>	<u>CDBG Fund</u>	<u>City Grants Fund</u>	<u>Misc. Grants Fund</u>	<u>Community Center Fund</u>	<u>Total Nonmajor Funds</u>
Prepaid taxes	\$ 101,562	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes collected in advance	22,433,197	-	-	-	-	-
Unearned revenue - property taxes	4,122,523	-	-	-	-	-
Unearned grant revenues	<u>-</u>	<u>252,293</u>	<u>2,516</u>	<u>2,765</u>	<u>7,333</u>	<u>264,907</u>
Total	<u>\$ 26,657,282</u>	<u>\$ 252,293</u>	<u>\$ 2,516</u>	<u>\$ 2,765</u>	<u>\$ 7,333</u>	<u>\$ 264,907</u>

17. Restricted Net Position

The accompanying entity-wide financial statements report restricted net position when external constraints from grantors or contributors are placed on net position.

Permanent fund restricted net position is segregated between nonexpendable and expendable. The nonexpendable portion represents the original restricted principal contribution, and the expendable represents accumulated earnings which are available to be spent based on donor restrictions.

18. Governmental Funds - Balances

Fund balances are segregated to account for resources that are either not available for expenditure in the future or are legally set aside for a specific future use.

The City has implemented GASB Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, which enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying existing governmental fund type definitions.

The following types of fund balances are reported at June 30, 2014:

Nonspendable - Represents amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. This fund balance classification includes general fund reserves for prepaid expenditures and nonmajor governmental fund reserves for the principal portion of permanent trust funds.

Restricted - Represents amounts that are restricted to specific purposes by constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. This fund balance classification includes general fund encumbrances funded by bond issuances, various special revenue funds, and the income portion of permanent trust funds.

Assigned - Represents amounts that are constrained by the City's intent to use these resources for a specific purpose.

Unassigned - Represents amounts that are available to be spent in future periods.

Following is a breakdown of the City's fund balances at June 30, 2014:

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable				
Prepaid expenditures	\$ 50,159	\$ -	\$ -	\$ 50,159
Nonexpendable permanent funds	-	-	43,866	43,866
Total Nonexpendable	50,159	-	43,866	94,025
Restricted				
Community development	171,452	-	-	171,452
Conservation	378,007	-	-	378,007
Special revenue funds	-	-	1,045,233	1,045,233
Expendable permanent funds	-	-	46,851	46,851
Total Restricted	549,459	-	1,092,084	1,641,543
Assigned				
Reserved for expenditures	20,000	-	-	20,000
Total Assigned	20,000	-	-	20,000
Unassigned				
General fund	12,623,318	-	-	12,623,318
Capital projects fund - deficit	-	(8,576,461)	-	(8,576,461)
Total Unassigned	12,623,318	(8,576,461)	-	4,046,857
Total Fund Balance	\$ 13,242,936	\$ (8,576,461)	\$ 1,135,950	\$ 5,802,425

19. General Fund Unassigned Fund Balance

The unassigned general fund balance reported on the balance sheet is stated in accordance with generally accepted accounting principles (GAAP), which differs in respect to how unassigned fund balance is reported in accordance with the budgetary basis for reporting for the State of New Hampshire for tax rate setting purposes. The major difference is the State of New Hampshire considers revenues in connection with property tax receivables to be available to liquidate liabilities when billed rather than received.

The following summarizes the specific differences between GAAP basis and budgetary basis of reporting the general fund unassigned fund balance:

GAAP basis	\$ 12,623,318
Reserve for prepaid expenditures	50,159
Reclass accrued vacation to government-wide	(926,554)
Tax refunds payable	150,726
Tax deeded property	122,279
Accrued payroll	66,202
Other GAAP adjustments	<u>(300)</u>
Tax Rate Setting balance	<u>\$ 12,085,830</u>

20. Subsequent Events**Debt**

Subsequent to June 30, 2014 the City has incurred the following additional debt:

	<u>Amount</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>
Bond Anticipation Note Series A	\$ 9,558,000	0.65%	12/16/14	03/12/15
Bond Anticipation Note Series B	\$ 8,649,000	0.75%	12/16/14	03/12/15

The use of the bond anticipation notes were to provide short term funding for numerous City, School, Water and Sewer capital projects.

21. Commitments and Contingencies

Outstanding Legal Issues - There are several pending legal issues in which the City is involved. The City's management is of the opinion that the potential future settlement of such claims would not materially affect its financial statements taken as a whole.

Grants - Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

22. Post-Employment Healthcare and Life Insurance Benefits

Other Post-Employment Benefits

GASB Statement 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*, requires governments to account for other post-employment benefits (OPEB), primarily healthcare, on an accrual basis rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially required contribution as an expense on the Statement of Activities when a future retiree earns their post-employment benefits, rather than when they use their post-employment benefit. To the extent that an entity does not fund their actuarially required contribution, a post-employment benefit liability is recognized on the Statement of Net Position over time.

A. Plan Description

The City provides its eligible retirees, including in some cases their beneficiaries (as governed by RSA 100-A:50), the ability to purchase health, dental, and prescription insurance at the City's group rates. Although the City does not supplement the cost of these plans, GASB Statement 45 requires the City to recognize the liability for the inclusion of any implicit rate subsidies afforded its retirees. This subsidy is generated as a result of the basic nature of insurance - one risk group subsidizes another to arrive at a blended premium, therefore current employees who are young and healthy subsidized the older retirees. As of June 30, 2014, there were 59 retiree subscribers, including eligible spouses and dependents, and 704 active employees meet the eligibility requirements. The plan does not issue a separate financial report.

B. Benefits Provided

The City provides medical, prescription drug, mental health/substance abuse, and life insurance to retirees and their covered dependents. All active employees who retire from the City and meet the eligibility criteria will receive these benefits.

C. Funding Policy

Retirees contribute 100% of the cost of the health plan, as determined by the City. The City contributes the remainder of the health plan costs on a pay-as-you-go basis.

D. Annual OPEB Costs and Net OPEB Obligation

The City's fiscal 2014 annual OPEB expense is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost per year and amortize the unfunded actuarial liability over a period of thirty years. The following table shows the components of the City's annual OPEB cost for the year ending June 30, 2014, the amount actually contributed to the plan, and the change in the City's net OPEB obligation based on an actuarial valuation as of July 1, 2013.

Annual Required Contribution (ARC)	\$ 1,238,029
Interest on net OPEB obligation	166,336
Adjustment to ARC	<u>(157,552)</u>
Annual OPEB cost	1,246,813
Contributions made	<u>(442,757)</u>
Increase in net OPEB obligation	804,056
Net OPEB obligation - beginning of year	<u>3,696,366</u>
Net OPEB obligation - end of year	<u><u>\$ 4,500,422</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2014	\$ 1,246,813	35.5%	\$ 4,500,422
2013	\$ 1,276,474	31.8%	\$ 3,696,366

E. Funded Status and Funding Progress

The funded status of the plan as of July 1, 2013, the date of the most recent actuarial valuation was as follows:

Actuarial accrued liability (AAL)	\$ 11,668,357
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 11,668,357</u>
Funded ratio (actuarial value of plan assets/AAL)	<u>0%</u>
Covered payroll (active plan members)	<u>\$ 45,737,594</u>
UAAL as a percentage of covered payroll	<u>25.5%</u>

Actuarial valuations of an ongoing plan involve estimates of the value of reported amount and assumptions about the probability of occurrence of events far into the future. Examples included assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

F. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the plan as understood by the City and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the City and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2013 actuarial valuation the projected unit credit cost method was used. The actuarial value of assets was not determined as the City has not advance funded its obligation. The actuarial assumptions included a 4.5% investment rate of return and an initial annual healthcare cost trend rate of 8.5% which decreases to a 5% long-term rate for all healthcare benefits after ten years. The amortization costs for the initial UAAL is a level percentage of payroll for a period of 30 years, on a closed basis. This has been calculated assuming the amortization payment increases at a rate of 3%.

23. Retirement System

The City follows the provisions of GASB Statement No. 27, *Accounting for Pensions for State and Local Government Employees*, (as amended by GASB 50) with respect to the employees' retirement funds.

A. Plan Description

Full-time employees participate in the State of New Hampshire Retirement System (the System), a multiple-employer contributory pension plan and trust established in 1967 by RSA 100-A:2 and is qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. The plan is a contributory, defined benefit plan providing service, disability, death and vested retirement benefits to members and their beneficiaries. Substantially all full-time state employees, public school teachers and administrators, permanent firefighters and permanent police officers within the State of New Hampshire are eligible and required to participate in the system. Full-time employees of political subdivisions, including counties, municipalities and school districts, are also eligible to participate as a group if the governing body of the political subdivision has elected participation.

The New Hampshire Retirement System, a Public Employees Retirement System (PERS), is divided into two membership groups. State or local employees and teachers belong to *Group I*. Police officers and firefighters belong to *Group II*. All assets are held in a single trust and are available to each group, funding policies, vesting requirements, contribution requirements and plan assets available to pay benefits are disclosed in the System's annual report available from the New Hampshire Retirement System located at 54 Regional Drive, Concord, New Hampshire 03301-8509.

B. Funding Policy

Plan members are required to contribute a percentage of their gross earnings to the pension plan. *Group I* members (employees and teachers) contribute 7% and *Group II* members (police and fire) contribute 11.55% and 11.80% respectively. The City makes annual contributions to the pension plan equal to the amount required by Revised Statutes Annotated 100-A:16, which is 10.77% for employees, 14.16% for teachers, 25.30% for police, and 27.74% for fire. The City's contributions to the System for the years ended June 30, 2014, 2013, and 2012 were \$6,247,279, \$4,943,244, and \$4,914,886, respectively, which were equal to its annual required contributions for each of these years.

The payroll for employees covered by the System for the year ended June 30, 2014, was \$41,524,704.

24. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. There were no significant reductions in insurance coverage from the previous year and have been no material settlements in excess of coverage in any of the past three fiscal years.

25. Beginning Net Position Restatement

The beginning (July 1, 2013) net assets of the City have been restated as follows:

Government-Wide Financial Statements:

	<u>Governmental</u>
As previously reported	\$ 70,568,470
Adjust for prior year Granite State Business Park capital asset	2,206,389
Adjust for prior year accrued payroll taxes	<u>63,665</u>
As restated	<u>\$ 72,838,524</u>

Fund Basis Financial Statements:

	<u>General Fund</u>	<u>Nonmajor Funds</u>
As previously reported	\$ 14,028,188	\$ 1,064,332
Adjust for prior year accrued vacation, personal and comp time	863,761	7,154
Adjust for prior year accrued payroll taxes	<u>63,197</u>	<u>468</u>
As restated	<u>\$ 14,955,146</u>	<u>\$ 1,071,954</u>

26. Implementation of New GASB Standards

The GASB has issued Statement 68 *Accounting and Financial Reporting for Pensions*, which is required to be implemented in fiscal year 2015. Management's current assessment is that this pronouncement will have a significant impact on the City's basic financial statements by recognizing as a liability and expense, the City's applicable portion of the New Hampshire Retirement System's actuarially accrued liability.

CITY OF ROCHESTER, NEW HAMPSHIRE
SCHEDULE OF FUNDING PROGRESS
REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2014
(Unaudited)

Other Post-Employment Benefits

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percent- age of Covered Payroll [(b-a)/c]
07/01/13	\$ -	\$ 11,668,357	\$ 11,668,357	0.0%	\$ 45,737,594	25.5%
07/01/12	\$ -	\$ 11,803,851	\$ 11,803,851	0.0%	\$ 44,405,431	26.6%

See Independent Auditors' Report.

5.2 Granite State Business Park Tax Increment Finance District (RSA 162K)

NH State Statute 162-K:11 Annual Report. – The municipality's annual report shall contain a financial report for any development district in the municipality. The report shall include at least the following information: the amount and source of revenue of the district, the amount and purpose of expenditures, the amount of principal and interest on any outstanding bonded indebtedness, the original assessed value of the district, the captured assessed value retained by the district, the tax increments received and any additional information necessary to demonstrate compliance with the tax increment financing plan.

Tax Increment Financing: Overview

Cutbacks in federal and state infrastructure aid over the last two decades have minimized the amount of financing available to municipalities for infrastructure, increasing the use of tax increment financing (TIF), an economic development tool that has been around since the 1950's. The creation of TIF districts are crucial to New England towns and cities that compete with the financial incentives offered in other regions of the United States.

The underlining concept of a TIF District is that an area with development potential that is blighted or otherwise in need of economic improvement, becomes designated by a municipality as a tax increment financing district. The improvements made to the infrastructure stimulate development or redevelopment, which in turn generates incremental tax revenues. These revenues are then directed to the infrastructure debt service incurred by the municipality for the improvements.

The taxable valuation of the district is frozen at the time of its creation, referred to as the original taxable value (OTV) or simply "base." Tax revenues from the base value continue to go to the general fund tax base. As the TIF district matures and private sector development and redevelopment occurs due to improvements, the City retains the incremental tax revenues generated above the base. The annual "tax increment" is used to pay the public expenditures on improvements in the district. The duration of a TIF district is limited, typically by the time required to amortize bonded debt and the recovery of other municipal costs incurred in creating the TIF district and provide public infrastructure.

Public infrastructure investments typically include water supply, sewer expansion and repair, storm water drainage, street and sidewalk construction, street lighting, park improvements, and parking structures. These improvements are intended to make the area more attractive for development and reduce infrastructure costs to private developers.

Granite State Business Park TIF District- (RSA 162K)

District Activity for 2013:

The Granite State Business Park (GSBP) is located in the southeastern portion of Rochester adjacent to the Skyhaven Airport. A new bridge and extension of the new "Innovation Drive" is now in use, providing access to the northeast end of the Business Park, the new home of Safran Aerospace Composites.

Between January 1, 2013 and December 31, 2013 internal improvements continued within several buildings located in the Granite State Business Park:

NCS Global, previously known as Newport Computers, has moved into their new building at 32 Innovation Drive bringing with them approximately 30 employees. The new building was constructed to LEED standards, and as such will be the first of its kind in the city. LEED stands for Leadership in Energy and Environmental Design and was developed by the U.S. Green Building Council (USGBC) to set a benchmark for design, construction, and operation of high-performance green buildings. In addition to the construction of the 30,000 square foot building, plumbing and mechanical work were completed in 2013 to prepare the building for use.

Improvements were made to the Albany building located at 112 Airport Drive including a new generator, interior electrical and mechanical work and fire suppression work. Heating and cooling, gas piping and fire protection work was completed on the new Safran building on Innovation Drive.

An Advisory Board has been appointed and their duties adopted by the Rochester City Council. The Board is scheduled to meet at the end of January, 2014 to review the Annual Report and make recommendations on next year's activity to the Mayor and City Council.

Goals for the Next Year:

Water system improvements are necessary for the future expansion and water security for investors in the park. A connecting or "looping" water system is needed from 216 Airport Drive, extending up Shaw Drive and connecting to the water system in Whitehall Road. This will be an FY15 CIP request and if undertaken as a TIF project, will require changes to the TIF Map and Financing Plan.

As businesses such as Albany Engineered Composites, Safran Aerospace Composites, Newport Computers and Phase 2 Medical grow within the Granite State Business Park, so will the need to accommodate the employees of the GSBP who already have a 24/7 presence. Albany and Phase 2 Medical is already working on 3 shifts and Safran will be adding a 3rd shift shortly.

The business park currently lacks street lights on Airport Drive and sidewalks from Rochester Hill Road (Route 108) into the park, creating an unsafe commute for those employed in the business park. The only bus stop available to those taking public transportation is located outside the GSBP on Route 108.

To best accommodate the growth of these businesses and to encourage new business in the GSBP, the following items will be priority goals for next year.

- ☒ Water Loop to Whitehall Road
- ☒ Street Lights installed on Airport Drive
- ☒ Sidewalks constructed from Route 108 into the park
- ☒ Construction of a sheltered bus stop inside the GSBP
- ☒ New signage for the entrance to the Business Park

5.2 Granite State Business Park Tax Increment Finance District (RSA 162K) (continued...)

TIF 162-K - Granite State Business Park
Financial Report as of Tax Year 2013

Assessment Information:

Date of Adoption/Modification (mm/dd/yy)		7/5/2011
A	Original Assessed Value	13,292,007
B	- Unretained Captured Assessed Value	-
C	= Amounts Used on P2 (for tax rate purposes)	13,409,069
D	+ Retained captured assessed value	4,723
E	= Current Assessed Value	13,413,792

Tax Rate Information:

2013 Tax Rate per 1000 assessed value	27.47
---------------------------------------	-------

Revenues

Tax Increment District (Retained captured assessed value / 1000 * tax rate)	129.74
Investment Interest	100,000.00
Other	-
Total Revenues:	100,129.74

Expenditures

Long Term Dept Payments	-
Principal	-
Interest	-
Outside Services	-
Other	-
Total Expenditures	-

Long-Term Debt Payable

Principal	-
Interest	-
Total Long-Term Debt Payable	-

Beginning of Period - Fund Balance	-345
------------------------------------	------

Excess (Deficiency) of Revenue	100,129.74
--------------------------------	------------

End of Period - Fund Balance	99,784.74
------------------------------	-----------

Fund Balance Reserved for Debt Service	-
--	---

Deficit to be Raised by Tax Increment District	-99,784.74
--	------------

5.3 Trustees of the Trust Fund Report

31:33 Audit and Publication of Reports of Trustees. –

- I. The accounts of the trustees shall be audited annually by the auditor of the town, the securities shall be exhibited to the auditor, and he shall certify the facts found by his audit and the list of all securities held. The trustees shall submit to the auditor a detailed statement of the securities held by them and the particular trust to which they belong, and exhibit to him a statement of all receipts and expenditures with proper vouchers.*
- II. The legislative body of a town may authorize the printing of the reports of the trustees and of the auditor in summary form rather than in full detail in the annual town report.*
- III. In a year in which a town accepts gifts, legacies and devises for any trust created, the trustees and auditor shall print the names of the donors and the value of such gifts, legacies and devises at the time of donation in the annual town report.*

Trustees: Rob Pallas
David Ouellette
Tracy Walbridge

Some of the projects that were worked on throughout the year included:

History of Rochester Books:

In 1984 the Rochester City Council decided to put funds in a trust for a History of Rochester Book from where McDuffie book ended. Due to issues with the first author and then financial problems the book was put on hold for the funds to replenish.

In 2010 the trustees of the trust funds felt that it was time to work on getting the book published. The RFP was posted, the interview process was conducted and the author was hired. The writing of the book took two years and the author held several "History Harvests" and worked very close with the Rochester Historical Society and Trustees.

In 2012 the publisher was hired and the editing of the book was completed. The artist was then hired to paint the cover. The Trustees, along with other people in the community read and reedited the book. In the fall of 2014 the book was delivered. The Trustees then worked on the sale of the books for the first year. In the meantime Council members requested the Trustees to have replicas of the cover for community members.

Would like to use the funds that are collected with the Book to create a workbook for the schools to teach the history of Rochester.

Hanson Pines:

Mapping, clean up, education, police department, change the trust to take out dollar amount. Discussion of the Mapping Plan and allow the committee to review the plan.

Widows and indigent woman:

Explanation of the trust and the committees' decision to create a fair way to distribute funds.

Scholarship Spaulding High School:

The trustees are now part of the scholarship process.

Cemetery:

Maintain upkeep of the lawn at the French Hussey Cemetery. Deliver flowers to the perpetual care plots in the Rochester cemetery each year.

Seminars

Attended yearly trainings with the Attorney General's office.

Future discussions are anticipated on the following: Cemetery – fixing the city cemeteries, meeting with investor from Charter Trust and monthly meetings to discuss scholarships and new money.



DATE	TRUST NAME	PURPOSE	HOW INVESTED	% OF TOTAL	PRINCIPAL - ACCOUNT #5233001215					INCOME - ACCOUNT #5233001215				
					ANNUAL TOTALS					ANNUAL TOTALS				
					BALANCE 07/01/13	NEW FUNDS	GAIN/LOSS	TRANSFERS	BALANCE 06/30/14	BALANCE 07/01/13	Gross Income	FEES/COMM	TRANSFERS	BALANCE 06/30/14
	Special Funds		Stks/Bnds	0.02%	24.62	-	2.82	-	27.44	207.11	8.21	(0.59)	-	214.72
	Old Cemetery-General Emergency	Care	Stks/Bnds	0.02%	120.47	-	3.16	-	123.63	138.92	9.19	(0.66)	-	147.44
	Old Cemetery-Special Emergency	Care	Stks/Bnds	1.13%	7,657.22	-	204.11	43.45	7,914.78	9,094.89	593.63	(48.84)	-	9,645.68
1890	Old Cemetery-Conservation Fund	Conservation	Stks/Bnds	0.07%	12,005.35	-	174.78	-	12,180.13	2,348.07	508.33	(36.69)	(43.45)	2,776.26
1908	Old City Cemetery	Care	Stks/Bnds	0.06%	106.89	-	11.62	-	118.51	847.50	33.80	(2.44)	-	878.86
1990	Hanson Pines	Carnival Grounds	Stks/Bnds	7.00%	69,007.51	-	1,266.66	-	70,274.17	35,014.07	3,683.93	(2,542.58)	(2,542.50)	35,889.62
1915	Abbott Family, Lot 130	Cemetery	Stks/Bnds	0.04%	544.30	-	7.27	-	551.57	53.11	21.16	(1.53)	-	72.74
1974	Allen-Reid Lot	Cemetery	Stks/Bnds	0.04%	930.50	-	11.51	-	942.01	18.42	33.55	(2.42)	(13.98)	35.57
1921	Boothby, Kate M.	Cemetery	Stks/Bnds	0.01%	172.12	-	2.30	-	174.42	16.79	6.69	(0.48)	-	23.00
1933	Brown, Mary A.	Cemetery	Stks/Bnds	0.03%	443.24	-	5.92	-	449.16	43.25	17.23	(1.24)	-	59.24
1913	Dore, Annie B.	Cemetery	Stks/Bnds	0.20%	904.92	-	36.17	-	941.09	2,063.18	105.19	(7.59)	-	2,162.77
1911	Estes, Elizabeth C.	Cemetery	Stks/Bnds	0.03%	371.09	-	4.96	-	376.05	36.21	14.42	(1.04)	-	49.59
2008	French-Hussey	Cemetery	Stks/Bnds	0.70%	9,932.50	-	126.20	(120.00)	9,938.70	515.90	367.92	(26.54)	-	857.27
1934	Hammett, Ephraim O.	Cemetery	Stks/Bnds	0.03%	371.23	-	5.35	-	376.58	68.25	15.56	(1.12)	-	82.69
1934	Hammett, Ephraim/John Clark Lot	Cemetery	Stks/Bnds	0.00%	491.5	-	0.51	-	496.6	(7.15)	1.49	(0.11)	-	(5.77)
1934	Hammett, Ephraim O Haven Hill	Cemetery	Stks/Bnds	0.01%	98.40	-	1.39	-	99.79	15.72	4.04	(0.29)	-	19.47
1916	Haven Hill	Cemetery	Stks/Bnds	0.62%	7,599.45	-	112.22	-	7,711.67	1,616.75	326.39	(23.56)	-	1,919.59
1902	Moore, John E /Allen	Cemetery	Stks/Bnds	0.03%	371.07	-	4.96	-	376.03	36.20	14.42	(1.04)	-	49.58
1907	Morrill, Elizabeth A.	Cemetery	Stks/Bnds	0.01%	172.11	-	2.30	-	174.41	16.79	6.69	(0.48)	-	23.00
1934	Torr Family	Cemetery	Stks/Bnds	0.04%	195.93	-	6.78	-	202.71	360.67	19.71	(1.42)	-	378.96
1944	Trickey on Chestnut Hill Road	Cemetery	Stks/Bnds	0.05%	332.98	-	8.94	-	341.92	401.38	26.01	(1.88)	-	425.51
1934	Willard on Chestnut Hill Road	Cemetery	Stks/Bnds	0.06%	433.66	-	11.52	-	445.18	512.14	33.50	(2.42)	-	563.22
1916	Wingate on Salmon Falls Rd	Cemetery	Stks/Bnds	0.03%	371.09	-	4.96	-	376.05	36.21	14.42	(1.04)	-	49.59
1910	Leighton, Charlotte	HS Library	Stks/Bnds	0.12%	1,755.91	-	21.92	-	1,777.83	58.04	63.87	(4.61)	(58.04)	59.26
1975	Merram, Sadie L.	HS Library	Stks/Bnds	0.20%	2,906.15	-	36.28	-	2,942.43	96.07	105.71	(7.63)	(96.07)	98.08
1986	Eagerly, James	Library	Stks/Bnds	0.19%	2,762.42	-	34.48	-	2,796.90	91.31	100.48	(7.25)	(91.31)	93.23



City of Rochester, Common Fund
MS-9 for Year Ending June 30, 2014

Annual Report 2013-2014

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INCOME - ACCOUNT #5233001215

DATE	TRUST NAME	PURPOSE	HOW INVESTED	% OF TOTAL	BALANCE 07/01/13	ANNUAL TOTALS			BALANCE 06/30/14
						Gross Income	MGMT FEES/ COMM	TRANSF/ EXPEND	

1900	Farrington Annex, Jennie	Library	Stks/Bnds	0.12%	1,796.26	-	-	-	1,818.68
1933	Folker, Samuel D	Library	Stks/Bnds	0.02%	8,887.60	-	-	-	8,998.54
1981	Greene, Pearl & Charles	Library	Stks/Bnds	0.12%	1,657.45	-	-	-	1,678.14
1938	Greenfield, Charles & Aroline B	Library	Stks/Bnds	0.02%	8,887.60	-	-	-	8,998.54
1941	Greenfield, John	Library	Stks/Bnds	0.02%	8,887.60	-	-	-	8,998.54
1943	Hanscom, John	Library	Stks/Bnds	0.02%	8,887.60	-	-	-	8,998.54
1973	Hussey, Wallace	Library	Stks/Bnds	0.32%	4,618.18	-	-	-	4,675.83
1973	Jenness, Charles G	Library	Stks/Bnds	0.10%	1,381.21	-	-	-	1,398.45
1997	Jones, Mehel H	Library	Stks/Bnds	0.16%	2,343.36	-	-	-	2,372.61
2011	King, Barbara	Library	Stks/Bnds	0.35%	5,052.46	-	-	-	5,115.53
1978	Malloy/Bliss	Library	Stks/Bnds	0.08%	1,104.97	-	-	-	1,118.76
1927	McDuffey, John	Library	Stks/Bnds	0.02%	8,887.60	-	-	-	8,998.54
2007	Nescott, Marcus L	Library	Stks/Bnds	0.70%	10,121.80	-	-	-	10,248.15
1996	Rose, Carolyn C	Library	Stks/Bnds	0.08%	1,104.97	-	-	-	1,118.76
1960	Singer Library Fund, Leon	Library	Stks/Bnds	4.27%	61,455.05	-	-	-	62,222.20
2004	Talvio, S. William	Library	Stks/Bnds	1.83%	26,269.81	-	-	-	26,597.74
1978	Thompson, Kenneth L	Library	Stks/Bnds	1.39%	20,009.55	-	-	-	20,259.33
1940	Varney Library Fund, Sarah L	Library	Stks/Bnds	0.12%	1,796.26	-	-	-	1,818.68
1918	Woodward, Olive M	Library	Stks/Bnds	0.01%	110.50	-	-	-	111.88
1978	Amencan Rev Bicentennial	Scholarship	Stks/Bnds	0.15%	2,145.33	-	-	-	2,172.63
1973	Becker/Sama	Scholarship	Stks/Bnds	1.25%	18,456.79	-	-	-	18,682.24
1984	Bennett, Shana	Scholarship	Stks/Bnds	0.42%	6,010.04	-	-	-	6,086.04
1975	Bliss, Phyllis	Scholarship	Stks/Bnds	0.67%	9,821.01	-	-	-	9,941.35
1955	Class of 1905, 50th Reunion	Scholarship	Stks/Bnds	0.79%	11,710.40	-	-	-	11,858.40
1996	Class of 1946, 50th Reunion Memorial	Scholarship	Stks/Bnds	1.43%	20,991.67	-	-	-	21,250.38
2013	Codisco Valley Sportsman Association	Scholarship	Stks/Bnds	0.00%	-	26,887.77	-	-	27,123.99

PRINCIPAL - ACCOUNT #5233001215

DATE	TRUST NAME	PURPOSE	HOW INVESTED	% OF TOTAL	BALANCE 07/01/13	ANNUAL TOTALS			BALANCE 06/30/14
						NEW FUNDS	GAIN/ LOSS	TRANSF/ XPEND	

1900	Farrington Annex, Jennie	Library	Stks/Bnds	0.12%	1,796.26	-	22.42	-	1,818.68
1933	Folker, Samuel D	Library	Stks/Bnds	0.02%	8,887.60	-	110.94	-	8,998.54
1981	Greene, Pearl & Charles	Library	Stks/Bnds	0.12%	1,657.45	-	20.69	-	1,678.14
1938	Greenfield, Charles & Aroline B	Library	Stks/Bnds	0.02%	8,887.60	-	110.94	-	8,998.54
1941	Greenfield, John	Library	Stks/Bnds	0.02%	8,887.60	-	110.94	-	8,998.54
1943	Hanscom, John	Library	Stks/Bnds	0.02%	8,887.60	-	110.94	-	8,998.54
1973	Hussey, Wallace	Library	Stks/Bnds	0.32%	4,618.18	-	57.65	-	4,675.83
1973	Jenness, Charles G	Library	Stks/Bnds	0.10%	1,381.21	-	17.24	-	1,398.45
1997	Jones, Mehel H	Library	Stks/Bnds	0.16%	2,343.36	-	29.25	-	2,372.61
2011	King, Barbara	Library	Stks/Bnds	0.35%	5,052.46	-	63.07	-	5,115.53
1978	Malloy/Bliss	Library	Stks/Bnds	0.08%	1,104.97	-	13.79	-	1,118.76
1927	McDuffey, John	Library	Stks/Bnds	0.02%	8,887.60	-	110.94	-	8,998.54
2007	Nescott, Marcus L	Library	Stks/Bnds	0.70%	10,121.80	-	126.35	-	10,248.15
1996	Rose, Carolyn C	Library	Stks/Bnds	0.08%	1,104.97	-	13.79	-	1,118.76
1960	Singer Library Fund, Leon	Library	Stks/Bnds	4.27%	61,455.05	-	767.15	-	62,222.20
2004	Talvio, S. William	Library	Stks/Bnds	1.83%	26,269.81	-	327.93	-	26,597.74
1978	Thompson, Kenneth L	Library	Stks/Bnds	1.39%	20,009.55	-	249.78	-	20,259.33
1940	Varney Library Fund, Sarah L	Library	Stks/Bnds	0.12%	1,796.26	-	22.42	-	1,818.68
1918	Woodward, Olive M	Library	Stks/Bnds	0.01%	110.50	-	1.38	-	111.88
1978	Amencan Rev Bicentennial	Scholarship	Stks/Bnds	0.15%	2,145.33	-	27.30	-	2,172.63
1973	Becker/Sama	Scholarship	Stks/Bnds	1.25%	18,456.79	-	225.45	-	18,682.24
1984	Bennett, Shana	Scholarship	Stks/Bnds	0.42%	6,010.04	-	76.00	-	6,086.04
1975	Bliss, Phyllis	Scholarship	Stks/Bnds	0.67%	9,821.01	-	120.34	-	9,941.35
1955	Class of 1905, 50th Reunion	Scholarship	Stks/Bnds	0.79%	11,710.40	-	143.18	4.82	11,858.40
1996	Class of 1946, 50th Reunion Memorial	Scholarship	Stks/Bnds	1.43%	20,991.67	-	258.71	-	21,250.38
2013	Codisco Valley Sportsman Association	Scholarship	Stks/Bnds	0.00%	-	26,887.77	236.22	-	27,123.99

ANNUAL TOTALS

BALANCE 07/01/13	Gross Income	MGMT FEES/ COMM	TRANSF/ EXPEND	BALANCE 06/30/14
------------------	--------------	-----------------	----------------	------------------

59.38	65.34	(4.72)	(59.38)	60.62
293.78	323.29	(23.34)	(293.78)	299.95
54.78	60.29	(4.35)	(54.78)	55.94
293.78	323.29	(23.34)	(293.78)	299.95
293.78	323.29	(23.34)	(293.78)	299.95
293.78	323.29	(23.34)	(293.78)	299.95
152.65	167.99	(12.13)	(152.65)	155.86
45.65	50.24	(3.63)	(45.65)	46.61
77.46	85.24	(6.15)	(77.46)	79.09
167.00	183.78	(13.27)	(167.00)	170.52
36.53	40.19	(2.90)	(36.53)	37.29
293.78	323.29	(23.34)	(293.78)	299.95
334.57	368.18	(26.58)	(334.57)	341.60
36.53	40.19	(2.90)	(36.53)	37.29
2,031.39	2,235.44	(161.37)	(2,031.39)	2,074.07
868.34	955.57	(68.98)	(868.34)	886.59
661.42	727.85	(52.54)	(661.42)	675.31
59.38	65.34	(4.72)	(59.38)	60.62
3.65	4.02	(0.29)	(3.65)	3.73
96.35	79.39	(5.73)	(150.00)	20.01
57.54	655.69	(47.32)	(600.00)	65.90
235.07	221.65	(16.00)	(600.00)	(159.28)
61.56	349.99	(25.26)	(300.00)	86.29
48.15	416.43	(30.06)	(354.82)	79.70
254.31	752.43	(54.31)	(950.00)	102.43
-	409.25	(31.21)	-	378.04



**City of Rochester, Common Fund
MS-9 for Year Ending June 30, 2014**

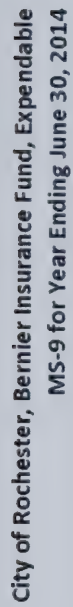
- *March-Hussey* \$120 principal expense will be reimbursed by income



City of Rochester, Women's Club Fund, Expendable
MS-9 for Year Ending June 30, 2014

PRINCIPAL ACCOUNT #5334003302									
ANNUAL TOTALS									
DATE	TRUST NAME	PURPOSE	HOW INVESTED	% OF TOTAL	BALANCE 07/01/13	NEW FUNDS	GAIN/LOSS	EXPEND	BALANCE 06/30/14
1928	Sarah Varney Scholarship	Scholarship	Money Market	100%	22.26	192.92	-	(200.00)	15.18
100.0%					22.26	192.92	-	(200.00)	15.18

INCOME ACCOUNT #5334003302									
ANNUAL TOTALS									
BALANCE 07/01/13	Gross Income	Mgmt Fees	Transf/Income/Exp	BALANCE 06/30/14	TOTAL				
-	-	-	-	-	-	-	-	-	15.18
-	-	-	-	-	-	-	-	-	15.18



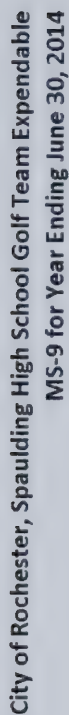
PRINCIPAL ACCOUNT #800004788										INCOME ACCOUNT #800004788						
ANNUAL TOTALS										ANNUAL TOTALS						
DATE	TRUST NAME	PURPOSE	HOW INVESTED	% OF TOTAL	BALANCE 07/01/13	NEW FUNDS	GAIN/LOSS	EXPEND	BALANCE 06/30/14	BALANCE 07/01/13	Gross Income	Transf/Income/Exp	Mgmt Fees	BALANCE 06/30/14	TOTAL	
2007	Bentier Insurance Scholarship Fund	Scholarship	Money Market	100.00%	3,844.50	360.00	-	(2,000.00)	2,204.50	-	1.40	-	(0.11)	-	1.29	2,205.79
100.0% 3,844.50 360.00 - (2,000.00) 2,204.50										1.40 (0.11) - 1.29					2,205.79	



City of Rochester, Joseph Bernier Memorial Fund, Expendable
MS-9 for Year Ending June 30, 2014

PRINCIPAL - ACCOUNT #8000005421									
ANNUAL TOTALS									
DATE	TRUST NAME	PURPOSE	HOW INVESTED	% OF TOTAL	BALANCE 07/01/13	NEW FUNDS	GAIN/LOSS	BALANCE 06/30/14	
2010	Joseph Bernier Memorial Fund	Charitable Assistance	Money Market	100%	38,556.93	515.00	-	39,071.93	
100.0%					38,556.93	515.00	-	39,071.93	

INCOME - ACCOUNT #8000005421									
ANNUAL TOTALS									
	BALANCE 07/01/13	Gross Income	Mgmt Fees	Transf/Income/Exp	BALANCE 06/30/14	TOTAL			
2010	67.25	20.87	(1.60)	-	86.52	67.25	20.87	(1.60)	86.52
					39,158.45				

City of Rochester, Spaulding High School Golf Team Expendable
MS-9 for Year Ending June 30, 2014

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City of Rochester, Richard Gray Memorial Scholarship Fund, Expendable
MS-9 for Year Ending June 30, 2014

PRINCIPAL ACCOUNT #8000005539										INCOME ACCOUNT #8000005539					
DATE	TRUST NAME	PURPOSE	HOW INVESTED	% OF TOTAL	ANNUAL TOTALS					ANNUAL TOTALS					
					BALANCE 07/01/13	NEW FUNDS	GAIN/LOSS	TRANSE/EXPEND	BALANCE 06/30/14	Gross Income	Mgmt Fees	TRANSE/EXPEND	BALANCE 06/30/14	TOTAL	
2010	Richard Gray Memorial Scholarship Fund	Scholarship	Money Market	100%	3,003.17	-	-	(493.03)	2,510.14	-	7.56	(0.59)	(6.97)	-	2,510.14
					100.0%	3,003.17	-	(493.03)	2,510.14	-	7.56	(0.59)	(6.97)	-	2,510.14

NOTE:

06/10/2014 \$6.97 transferred from income to principal



City of Rochester, Route 11 Conservation Easement Fund, Expendable
MS-9 for Year Ending June 30, 2014

PRINCIPAL ACCOUNT #800000395										INCOME ACCOUNT #800000395					
ANNUAL TOTALS										ANNUAL TOTALS					
DATE	TRUST NAME	PURPOSE	HOW INVESTED	% OF TOTAL	BALANCE 07/01/13	NEW FUNDS	GAIN/LOSS	EXPEND	BALANCE 06/30/14	BALANCE 07/01/13	Gross Income	Mgmt Fees	Transf/Income/Exp	BALANCE 06/30/14	TOTAL
2010	Route 11 Conservation Easement Fund	Maintenance	Money Market	100%	5,000.02				5,000.02	39.62	11.06	(0.88)		49.80	5,049.82
100.0%					5,000.02				5,000.02	39.62	11.06	(0.88)		49.80	5,049.82



City of Rochester, History of Rochester, Expendable
MS-9 for Year Ending June 30, 2014

PRINCIPAL ACCOUNT #5233001216									
ANNUAL TOTALS									
DATE	TRUST NAME	PURPOSE	HOW INVESTED	% OF TOTAL	BALANCE 07/01/13	NEW FUNDS	GAIN/LOSS	EXPEND	BALANCE 06/30/14
1921	History of Rochester	History	Money Market	100%	39,313.96	13,990.81	-	(32,317.56)	20,987.21
				100.0%	39,313.96	13,990.81	-	(32,317.56)	20,987.21

INCOME ACCOUNT #5231001216									
ANNUAL TOTALS									
	BALANCE 07/01/13	Gross Income	Mgmt Fees	Transf/Income/Exp	BALANCE 06/30/14	TOTAL			
	38.42	6.58	(0.48)	(28.35)	16.17	38.42	6.58	(0.48)	21,003.38
	38.42	6.58	(0.48)	(28.35)	16.17	38.42	6.58	(0.48)	21,003.38



MS-10 City of Rochester, Common Funds
July 2013 - June 2014

Account #5233001215

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HOW INVESTED		PRINCIPAL					INCOME	MARKET VALUE		
# of Shares or Other Units 06/30/14	Description of Investment (Names of Banks, Stocks, Bonds, etc.)	Beginning Year Balance	Purchases	Cash Capital Gains	Proceeds from Sales	Gains/Losses from Sales	Year End Balance	Income During Year	Beginning Year Market Value	Year End Market Value
MONEY MARKET FUNDS										
46,770.33	Government II Money Market Fund 033 TCGXX	34,710.96	196,135.62	-	184,076.25	-	46,770.33	14.81	34,710.96	46,770.33
69,168.82	Government II Money Market Fund 033 TCGXX	67,352.67	51,246.24	-	49,430.09	-	69,168.82	-	67,352.67	69,168.82
	Total Cash & Equivalents	102,063.63	247,381.86	-	233,506.34	-	115,939.15	14.81	102,063.63	115,939.15
FIXED INCOME										
30,000.00	US Treasury Notes 2.625 7/31/2014	29,962.50	-	-	-	-	29,962.50	787.50	30,783.90	30,063.30
30,000.00	US Treasury Notes 2.625 7/31/2016	29,868.75	-	-	-	-	29,868.75	975.00	32,315.70	31,718.10
	Total US Treasury Obligations	59,831.25	-	-	-	-	59,831.25	1,762.50	63,099.60	61,781.40
25,000.00	Federal Farm CR BKS 4.92% 08/26/2013	24,920.93	-	-	25,000.00	79.07	-	615.00	25,182.50	-
25,000.00	Federal Farm CR BKS 5.30% 06/24/2014	25,491.75	-	-	25,000.00	(491.75)	-	1,325.00	26,241.00	-
135.10	FNMA Pool #0569279 6.5% 4/1/2016	334.26	-	-	195.29	(2.29)	136.68	16.82	344.01	138.06
694.24	FNMA Pool #5752016 5/1/2016	1,025.09	-	-	336.96	2.00	690.13	52.74	1,034.00	695.90
10,000.00	FHLB 0.625% 12/28/16	-	9,965.20	-	-	-	9,965.20	15.80	-	9,991.10
30,000.00	FFCB 2.03% 08/14/19	-	29,973.81	-	-	-	29,973.81	37.22	-	30,351.90
2,643.81	FHLB Pool #B19343 5.50% 05/01/2020	3,939.66	-	-	1,273.79	(7.17)	2,658.70	188.20	4,253.77	2,812.59
3,804.84	FHLB Pool #G12688 5.50% 06/01/2022	5,505.41	-	-	1,678.29	(6.83)	3,820.29	251.69	5,936.31	4,171.06
	Total US Government Agencies	61,217.10	39,939.01	-	53,484.33	(426.97)	47,244.81	2,502.47	62,991.59	48,160.61
25,000.000	General Elec Cap Corp MTN 1.875% 09/16/2013	25,059.25	-	-	25,000.00	(59.25)	-	234.38	25,080.25	-
30,000.000	Teva Pharmaceutical Fin III 1.70% 03/21/2014	29,980.80	-	-	30,000.00	19.20	-	510.00	30,219.00	-
30,000.000	Bank of America Corp SR Global NT 5.125% 11/15/2014	29,967.30	-	-	31,830.00	1,862.70	-	403.91	31,510.20	-



MS-10 City of Rochester, Common Funds
July 2013 - June 2014

Account #5233001215

HOW INVESTED		PRINCIPAL					INCOME	MARKET VALUE		
# of Shares or Other Units 06/30/14	Description of Investment (Names of Banks, Stocks, Bonds, etc.)	Beginning Year Balance	Purchases	Cash Capital Gains	Proceeds from Sales	Gains/Losses from Sales	Year End Balance	Income During Year	Beginning Year Market Value	Year End Market Value
30,000,000	Deutsche Bk AG 3.45% 03/30/2015	29,779.50	-	-	-	-	29,779.50	1,035.00	31,317.60	30,672.90
20,000,000	Kimberly Clark Corp 4.875% 08/15/2015	20,122.40	-	-	-	-	20,122.40	975.00	21,768.00	20,981.40
15,000,000	Dell Inc 2.30% 09/10/2015	14,972.40	-	-	-	-	14,972.40	347.80	14,926.20	15,135.75
30,000,000	Home Depot Inc 5.40% 03/01/2016	29,349.90	-	-	-	-	29,349.90	1,620.00	33,428.70	32,372.70
25,000,000	AT&T Inc 2.40% 8/15/2016	25,184.75	-	-	-	-	25,184.75	600.00	25,764.00	25,761.75
30,000,000	Hewlett Packard Co 3.00% 9/15/2016	30,068.70	-	-	-	-	30,068.70	900.00	30,807.90	31,240.50
30,000,000	General Elect Cap Corp Med Term Note 1.60% 11/20/17	-	29,996.40	-	-	-	29,996.40	150.67	-	30,185.70
30,000,000	Intel Corp 1.35% 12/15/17	-	29,896.50	-	-	-	29,896.50	83.25	-	30,008.40
25,000,000	Bank of NY Mellon MTN 2.10% 8/1/18	-	25,147.50	-	-	-	25,147.50	180.83	-	25,356.25
25,000,000	Rio Tinto Finance USA PLC 2.25% 12/14/18	-	25,078.50	-	-	-	25,078.50	114.06	-	25,484.00
30,000,000	Shell International Finance 4.30% 09/22/2019	30,266.70	-	-	-	-	30,266.70	1,290.00	33,291.00	33,342.30
30,000,000	Stryker Corp 4.375% 1/15/2020	30,033.90	-	-	-	-	30,033.90	1,312.50	32,881.50	33,153.00
30,000,000	Newmont Mining Corp 3.50% 3/15/2022	30,397.20	-	-	-	-	30,397.20	1,050.00	25,672.20	28,924.20
	Total Corporate & Foreign Bonds	325,182.80	110,118.90	-	86,830.00	1,822.65	350,294.35	10,807.40	336,666.55	362,618.85
25,000,000	Floyd County Georgia Wtr Rev 3.375% 11/01/2017	25,131.38	-	-	-	-	25,102.22	843.76	26,472.75	26,717.50
15,000,000	New York NY 4.04% 10/01/2020	15,099.42	-	-	-	-	15,086.18	607.06	15,859.80	16,230.45
	Total Municipal Obligations	40,230.80	-	-	-	-	40,188.40	1,450.82	42,332.55	42,947.95
EQUITY										
400,000	Abbott Labs	9,295.03	-	-	-	-	9,295.03	288.00	13,952.00	16,360.00
400,000	Abbvie Inc	10,079.67	-	-	-	-	10,079.67	648.00	16,536.00	22,576.00

HOW INVESTED		PRINCIPAL					INCOME		MARKET VALUE	
# of Shares or Other Units 06/30/14	Description of Investment (Names of Banks, Stocks, Bonds, etc.)	Beginning Year Balance	Purchases	Cash Capital Gains	Proceeds from Sales	Gains/Losses from Sales	Year End Balance	Income During Year	Beginning Year Market Value	Year End Market Value
500.000	ArcelorMittal SA Luxembourg	10,774.60	-	-	-	-	10,774.60	100.00	5,600.00	7,465.00
320.000	AT&T Inc	9,686.56	-	-	-	-	9,686.56	582.40	11,328.00	11,315.20
300.000	Bell Corp	5,187.90	-	-	-	-	5,187.90	156.00	12,462.00	18,804.00
150.000	Bird Cr Inc	9,995.20	-	-	-	-	9,995.20	126.00	16,302.00	21,451.50
77.000	Blackrock Incorporated Class A	14,643.17	-	-	-	-	14,643.17	555.94	19,777.45	24,609.20
332.000	Chercon Corporation	7,355.88	-	-	-	-	7,355.88	1,351.24	39,288.88	43,342.60
700.000	Cisco Systems Inc	16,744.66	-	-	-	-	16,744.66	490.00	17,034.50	17,395.00
250.000	Dover Corp	14,829.57	-	-	-	-	12,387.61	375.00	19,415.00	22,737.50
300.000	Du Pont E I De Nemours & Co	15,278.61	-	-	-	-	15,278.61	540.00	15,750.00	19,632.00
800.000	EMC Corp Mass	8,608.02	5,391.00	-	-	-	13,999.02	300.00	14,172.00	21,072.00
200.000	Ecolab Inc	7,079.62	-	-	-	-	7,079.62	202.00	17,038.00	22,268.00
300.000	Emerson Electric Corp	13,353.62	-	-	-	-	13,353.62	510.00	16,362.00	19,908.00
300.000	Exxon Mobil Corp	10,929.65	-	-	-	-	10,929.65	774.00	27,105.00	30,204.00
450.000	Franklin Resources Inc	17,905.00	-	-	-	-	17,905.00	196.50	20,403.00	26,028.00
800.000	General Electric Co	10,435.09	-	-	-	-	10,435.09	656.00	18,552.00	21,024.00
35.000	Google Incorporated Class A	8,200.41	11,367.40	-	-	-	15,462.24	-	13,205.55	20,463.45
-	Google Incorporated Class C	-	-	-	8,398.31	4,292.74	-	-	-	-
850.000	Hartford Financial Svcs Group Inc	21,169.70	-	-	5,279.90	2,104.44	17,994.24	550.00	30,920.00	30,438.50
200.000	Illinois Tool Works Inc	9,154.06	-	-	-	-	9,154.06	328.00	13,834.00	17,512.00
700.000	Intel Corp	16,554.09	-	-	-	-	16,554.09	630.00	16,961.00	21,630.00



MS-10 City of Rochester, Common Funds
July 2013 - June 2014

Account #5233001215

HOW INVESTED		PRINCIPAL					INCOME	MARKET VALUE		
# of Shares or Other Units (06/30/14)	Description of Investment (Names of Banks, Stocks, Bonds, etc.)	Beginning Year Balance	Purchases	Cash Capital Gains	Proceeds from Sales	Gains/Losses from Sales	Year End Balance	Income During Year	Beginning Year Market Value	Year End Market Value
700.000	Johnson Controls Inc	23,591.59	-	-	2,284.94	569.44	21,876.09	615.00	26,842.50	34,951.00
400.000	JPMorgan Chase & Co	17,761.67	-	-	-	-	17,761.67	608.00	21,116.00	23,048.00
250.000	Kimberly Clark Corp	13,369.43	-	-	-	-	13,369.43	817.50	24,285.00	27,805.00
300.000	Knowles Corporation	-	5,610.50	-	-	-	8,052.46	-	-	9,222.00
350.000	Lilly Eli & Co	16,332.03	-	-	-	-	16,332.03	686.00	17,192.00	21,759.50
550.000	Lowes Inc	15,026.50	-	-	-	-	15,026.50	396.00	22,495.00	26,394.50
940.000	Marathon Oil Corp	22,790.27	-	-	-	-	22,790.27	714.40	32,505.20	37,524.80
500.000	Marsh & McLennan Cos Inc	11,865.36	-	-	-	-	11,865.36	500.00	19,960.00	25,910.00
450.000	Mattel Inc	-	18,989.55	-	-	-	18,989.55	504.00	-	17,536.50
175.000	McKesson Corporation	8,252.29	-	-	4,407.90	3,248.02	7,092.41	184.00	22,900.00	32,586.75
500.000	Microsoft Corp	4,209.64	-	-	-	-	4,209.64	535.00	17,272.50	20,850.00
200.000	Nextera Energy Inc	12,104.47	-	-	-	-	12,104.47	554.00	16,296.00	20,496.00
410.000	Nike Inc CL B	12,096.64	-	-	-	-	12,096.64	369.00	26,108.80	31,795.50
250.000	Norfolk Southern Corp	9,532.10	-	-	-	-	9,532.10	530.00	18,162.50	25,757.50
255.000	Novartis AG ADR	13,073.39	-	-	-	-	13,073.39	703.73	18,031.05	23,085.15
525.000	Oracle Corporation	11,040.99	-	-	-	-	11,040.99	252.00	16,122.75	21,278.25
550.000	Paychex Inc	14,773.57	-	-	-	-	14,773.57	770.00	20,080.50	22,858.00
277.000	PepsiCo Inc	4,748.18	-	-	-	-	4,748.18	653.04	22,655.83	24,747.18
275.000	Sempra Energy	15,654.39	-	-	2,401.69	899.19	14,151.89	765.00	24,528.00	28,795.25
250.000	Snap-on Inc	8,165.92	-	-	-	-	8,165.92	425.00	22,345.00	29,630.00



MS-10 City of Rochester, Common Funds
July 2013 - June 2014

Account #5233001215

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# of Shares or Other Units 06/30/14	HOW INVESTED Description of Investment (Names of Banks, Stocks, Bonds, etc.)	PRINCIPAL					INCOME Income During Year	MARKET VALUE	
		Beginning Year Balance	Purchases	Cash Capital Gains	Proceeds from Sales	Gains/Losses from Sales		Beginning Year Market Value	Year End Market Value
550.000	Spectra Energy Corp	13,142.19	-	-	2,059.49	755.49	768.00	20,676.00	23,364.00
250.000	State Street Corp	-	17,621.60	-	-	-	130.00	-	16,815.00
-	Sysco Corp	13,951.62	-	-	16,484.76	2,533.14	140.00	17,080.00	-
200.000	Thermo Fisher Scientific Incorporated	5,599.60	-	-	-	-	120.00	16,926.00	23,600.00
100.000	United Technologies Corp	3,401.70	-	-	-	-	230.50	9,294.00	11,545.00
300.000	Verizon Communications	11,925.77	-	-	-	-	631.50	15,102.00	14,679.00
300.000	Wal-Mart Stores Inc	5,137.77	-	-	-	-	570.00	22,347.00	22,521.00
500.000	Waste Management Inc	17,234.98	-	-	-	-	740.00	20,165.00	22,365.00
450.000	Wells Fargo & Co	4,061.25	-	-	-	-	562.50	18,571.50	23,652.00
200.000	3M Co	11,527.10	-	-	-	-	596.00	21,870.00	28,648.00
	Total Common Equity Securities	567,630.52	58,980.05	-	41,316.99	14,402.46	24,429.25	926,928.51	1,149,455.83
-	Wachovia PFD	-	-	-	-	-	1,741.45	-	-
1,000.000	AFLAC Inc PFD 5.50% 9/15/2052	24,900.00	-	-	-	-	1,375.00	24,800.00	24,550.00
1,200.000	Energy Arkansas Inc PFD 4.90% 12/01/2052	30,079.08	-	-	-	-	1,470.00	26,028.00	28,116.00
966.000	Tennessee Valley Authority 3.955% 05/01/2029	25,154.64	-	-	-	-	955.12	24,507.42	23,406.18
	Total Preferred Equity Securities	80,133.72	-	-	-	-	5,541.57	75,335.42	76,072.18
467.138	Vanguard Equity Income Fund Admiral #565	24,804.11	-	761.24	-	-	793.66	26,145.77	30,929.21
1,499.742	Vanguard Index Tr Mid Capitalization #859	30,002.76	-	-	7,929.78	2,174.25	545.55	45,667.33	48,546.65
	Total Domestic Equity Mutual Funds	54,806.87	-	761.24	7,929.78	2,174.25	1,339.21	71,813.10	79,475.86



MS-10 City of Rochester, Common Funds
July 2013 - June 2014

Account #5233001215

HOW INVESTED		PRINCIPAL					INCOME	MARKET VALUE		
# of Shares or Other Units 06/30/14	Description of Investment (Names of Banks, Stocks, Bonds, etc.)	Beginning Year Balance	Purchases	Cash Capital Gains	Proceeds from Sales	Gains/Losses from Sales	Year End Balance	Income During Year	Beginning Year Market Value	Year End Market Value
250,000	iShares FTSE Xinhau HK China 25 Index Fund	7,651.85	-	-	-	-	7,651.85	253.33	8,130.00	9,260.00
790,000	iShares MSCI Emerging Markets Index Fund	31,161.29	-	-	-	-	31,161.29	678.11	30,415.00	34,151.70
272,000	iShares MSCI Pacific Ex-Japan Index Fund	8,251.52	-	-	-	-	8,251.52	518.86	11,704.16	13,396.00
155,000	iShares MSCI South Africa Index Fund	-	9,977.33	-	-	-	9,977.33		-	10,650.05
	Total Closed End Intl Equity Funds	47,064.66	9,977.33	-	-	-	57,041.99	1,450.30	50,249.16	67,457.75
500,000	iShares S&P Smallcap 600 Index Fund	26,330.92	-	-	-	-	26,330.92	747.79	45,155.00	56,045.00
	Total Closed End Domestic Equity Fund	26,330.92	-	-	-	-	26,330.92	747.79	45,155.00	56,045.00
100,000	iShares S&P Citigroup International Treasury Bond Fund	10,318.88	-	-	-	-	10,318.88	161.39	10,953.00	10,526.00
150,000	iShares JP Morgan Emerging Bond Fund	10,201.00	5,463.50	-	-	-	15,664.50	620.24	9,647.00	17,290.50
	Total Closed End Fixed Income	20,519.88	5,463.50	-	-	-	25,983.38	781.63	20,600.00	27,816.50
7,660,745	Vanguard GNMA Fund Admiral #536	100,252.81	-	-	20,038.10	(394.10)	79,820.61	2,396.48	100,246.51	82,276.40
	Total Taxable Fixed Income Funds	100,252.81	-	-	20,038.10	(394.10)	79,820.61	2,396.48	100,246.51	82,276.40
	TOTAL FUNDS	1,485,264.96	471,860.65	761.24	443,105.54	17,578.29	1,532,317.20	53,224.23	1,897,481.62	2,170,047.48

Fees and Expenses, if any, paid for Professional Banking Assistance: (RSA 31:38-a, IV)

1. Name of Bank: Charter Trust Company

2. Fees Paid: \$14,439.05

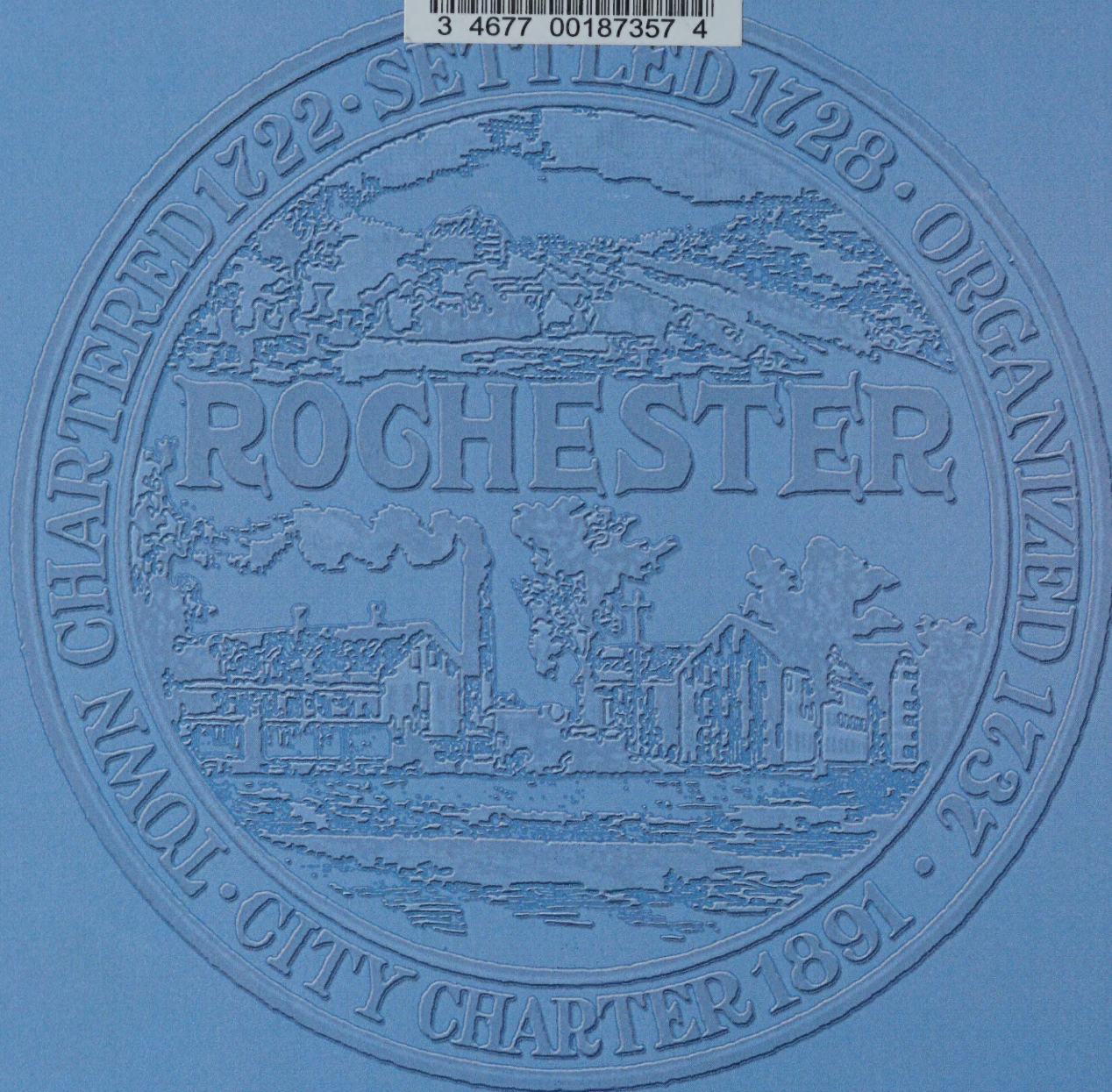
3. Expenses Paid: \$0.00

4. Were these fees & expenses paid for totally from income? No

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